FBIS DAILY REPORT

CONTENTS

Latin America

Vol VI No 071 14 April 1987

ARGENTINA

Alfonsin Encourages Japanese Investment [BUENOS AIRES HERALD 10 Apr] B 1
Constantini Blames Sourrouille for Problems [BUENOS AIRES HERALD 10 Apr] B 1
MAS Reports Police Arrest, Threaten Members B 2

BRAZIL

Funaro, Gros Meet Bankers, Wrap Up U.S. Visit D 1
Deliver Copy of Economic Plan D 1
Assess U.S. Negotiations D 2
World Bank Mission To Visit D 2
Funaro Returns 12 Apr D 3
Soviet Union Wants To Purchase Microcomputers D 3
Spanish Foreign Minister Ends Official Visit D 3
Education Minister Threatens Striking Teachers D 4
Troops Withdraw From Train Stations 10 Apr [EFE] D 4
Constituent Assembly To Skip July Recess D 4

CHILE

Terrorists Raid Radio Stations, Reporter's House E 1
FPMR Attacks Stations [EFE] E 1
Correspondent's Home Ransacked [EFE] E 1
Radio 'Invited' Colombian Journalists To Leave E 2
CNI Arrests Students for O'Higgins Park Incident E 2
Paris Club Banks To Refinance Nation's Debt E 3
Foreign Minister Addresses Businessmen on Exports E 3

COLOMBIA

ELN Guerrillas Kill 12 Drug Traffickers [EFE] F 1
'Wave of Violence' Causes 73 Deaths in 1 Week [EL SIGLO 10 Apr] F 1
Briefs: Alleged DEA Agent Imprisoned; Cocaine Confiscation; Trade Agreement With Ecuador F 2

ECUADOR

Minister To Explain Presence of U.S. Troops G 1
Febres Cordero Vetoes Price-Freeze Bill G 1
'Alfaro Lives' Resumes Terrorist Activities [EFE] G 2

PARAGUAY

Police Stage 'Violent' Attack on Religious Group [AFP] H 1
Ministry Says Diplomatic Notes End Taylor Case H 1
[EL DIARIO 10 Apr]
Radio Nanduti Hopes To Reopen 14 April H 2
[ULTIMA HORA 11 Apr]
Police Arrest Opposition Party Activists H 3
[EL DIARIO 13 Apr]

PERU

Uruguay's Sanguinetti Discusses Foreign Debt, Violence J 1
Joint Declaration Signed J 1
Sanguinetti Departs 11 Apr [AFP] J 2
Terrorism Increases During Sanguinetti's Visit [AFP] J 2
Terrorists Kill Soldiers, Civilians in Restaurant J 3

URUGUAY

USSR's Kudryavtsev Signs Joint Fishing Agreement K 1
President Sanguinetti Returns From Peru Visit K 1
International Conference on Torture Opens 7 Apr K 1

VENEZUELA

FRG Foreign Minister Holds Talks With Consalvi [DPA] L 1
Signs Cooperation Accords L 1
Meets With Lusinchi L 2
Briefs: Supreme Court Leaders Elected; Army Reserve Command Formed L 2

MEXICO

PSR Backs Call for Common Latin American Front M 1
Fisheries Secretariat Offers Plans to CEMA [EL DIA 9 Apr] M 1
Suspected Drug Traffickers Down Helicopter M 2
[UNOMASUNO 6 Apr]
Briefs: Marijuana Plants Destroyed; Narcotics Traffickers Disbanded M 2

PANAMA

PRD President Comments on U.S. Senate Resolution N 1
[LA PRENSA 12 Apr]
Condemns U.S. Senate Attacks [MATUTINO 13 Apr] N 2
Columnist Urges More U.S. Money for Drug Fight N 2
[MATUTINO 13 Apr]
U.S. Officers Cited on Post-1999 U.S. Presence N 3
[DIALOGO SOCIAL Mar 87]
Libyan Mission Linked to Terrorist Operation N 3
[LA PRENSA 9 Apr]

CENTRAL AMERICA

3 Central American Countries To Ban Panama Goods P 1

COSTA RICA

FRG's Genscher, Arias Discuss Regional Issues [Venceremos] P 1
President Arias Calls for 'Economic Democracy' P 2
[LA REPUBLICA 5 Apr]
Central Bank President Withdraws Resignation [DPA] P 3
Agriculture Minister Tenders Resignation [DPA] P 4

EL SALVADOR

FDR's Zamora Comments on Current Situation P 4
Clandestine on Transport Stoppage Effectiveness P 6
[Farabundo Marti]
'Walking Plan' Deemed Success P 6
[LA PRENSA GRAFICA 11 Apr]
Transport Stoppage Suspended [Venceremos] P 7
Archbishop Rivera Calls for Holy Week Truce [DPA] P 7
FMLN Command Sentences Colonel Montano to Death P 8
[EL MUNDO 10 Apr]
Rebels Claim Army Joined 'Solid Shield' Drills P 8
[Venceremos]
Detachment Commander Says Rebels Fled to Honduras P 9
[DIARIO LATINO 8 Apr]

GUATEMALA

Mexico, Guatemala Reject Support for Armed Groups P 9
[Mexico City]
De la Madrid Speaks P 10
Foreign Secretary Speaks [Mexico City EXCELSIOR 8 Apr] P 12

NICARAGUA

President Ortega Views Economic Situation P 13
Cardenal Criticizes Pope's Actions in Chile P 25
EPS Reportedly Captures 2 Honduran Soldiers P 25
Government Willing To Withdraw Charges at ICJ P 26
Contras 'Harming' Electric Power in Region P 26
Destroy Pylons in Region 1 P 26
Destroy Pylon in Jinotega P 27
FSLN Reports 50 People Kidnapped by Contras P 27
Arce Heads FSLN Delegation to Rome SI Meeting P 27
[BARRICADA 7 Apr]

CUBA

Critics View U.S. 'Aggression' in Central America Q 1
Honduran Officials To Travel to U.S. About Aid Q 3
Bank President Rodriguez Discusses Debt Q 4
Briefs: Volunteer Rum Production Q 5

CARIBBEAN

DOMINICA

Labor MP Calls for New U.S. Policy in Africa S 1

ALFONSIN ENCOURAGES JAPANESE INVESTMENT

PY102057 Buenos Aires BUENOS AIRES HERALD in English 10 Apr 87 p 3

[Text] (DYN-NA) -- President Raul Alfonsin yesterday said "we are going through an (economic) crisis, but we are making a big effort to overcome it without resorting to demagogy which could mean a solution for a month, but disaster in a year."

Speaking to members of an economic Japanese delegation headed by former chancellor Saburo Okita and Bank of Tokyo Vice-President Tomoo Miyasakim, Alfonsin urged the Japanse to expand their investments in Argentina and encourage immigration from that country because "we would like to have more Japanese people in Argentina."

The president explained that "we come from horrible experiences, which have affected not only politics and human rights but also the economy and all of society."

Alfonsin told them that Argentina offers a wide range of possibilities for investment, particularly in the hydroelectric, fishing, petrochemical and fertilizing areas.

He also stressed the importance of this visit, because "the studies Japanese experts can carry out are very important for Argentina," basically from the standpoint of the country's foreign debt and Argentina's difficulties to place its products in international markets.

The delegation, which arrived in Argentina on Monday for a 16-day visit as a result of cooperation agreements when Alfonsin visited that country last year, is currently compiling information in order to produce a report on the possibilities of investing in Argentina.

According to a previous report produced in September, Argentina's technological situation is adequate for the development of different plans to be financed by Japanese funds.

Speaking on behalf of the delegation, Miyasaki said Alfonsin's words "encouraged them to carry out their construction of the new Argentina."

In related news, the General Confederation of Industry (CGI) announced the setting up of a special training programme for Argentine businessmen, sponsored by Japan. CGI President Rafael Kohanoff, who was present at the Japanese delegation meeting with Alfonsin, said that 20 local businessmen will participate in special courses on productivity and industrial quality in Japan.

CONSTANTINI BLAMES SOURROUILLE FOR PROBLEMS

PY102104 Buenos Aires BUENOS AIRES HERALD in English 10 Apr 87 p 1

[Text] (NA-DYN) -- National Atomic Energy Commission (CNEA) President Alberto Constantini yesterday confirmed he presented his resignation before President Raul Alfonsin and blamed Economy Ministry Juan Sourrouille for the future "stagnation of the nuclear plan."

Constantini revealed that all the claims presented before Alfonsin and the Economy Ministry failed to achieve any results while CNEA payments to its suppliers fell behind by three months in some cases.

Treasury Secretary Mario Brodersohn reportedly told Constantini that delays in CNEA payments would have to reach 150 days due to lack of treasury funds.

"We cannot continue with current projects under these conditions," said Constantini, adding "there is nothing I can do to quell the discouragement of scientists, professionals, technicians and administrative personnel."

Constantini admitted Alfonsin had repeatedly expressed support for the nuclear programme, but regretted the fact that "the Economy Ministry seems to act on its own initiative." He said that when he finally met Sourrouille to discuss the issue the economy minister merely answered "with a smile."

Peronist Deputy Ruben Cardozo and Senator Luis Rubeo said the resignation of Constantini shows the intention on the part of the Economy Ministry to halt the development of the nuclear programme and represents a step back in technological advancement.

The UOCRA [Construction Workers Union of the Argentine Republic] meanwhile expressed concern over the possibility that nuclear plants under construction would be scrapped or left unfinished.

MAS REPORTS POLICE ARREST, THREATEN MEMBERS

PY100336 Buenos Aires DYN in Spanish 1942 GMT 9 Apr 87

[Text] Buenos Aires, 9 Apr (DYN) -- The Movement Toward Socialism (MAS) has reported that three of its members were arrested this morning by the Buenos Aires province police. They were later released. The MAS members were charged with distributing propaganda against a ceremony scheduled for tomorrow at the central market in which the pope "will speak to labor circles."

A communique released this afternoon by the MAS states the activists received "death threats" from a noncomissioned police officer. The communique also states that "three MAS members, who were distributing leaflets at the front door of the Almafuerte Secondary School in San Justo district, calling for people not to attend the pope's ceremony in La Matanza district, were arrested this morning." The communique adds: "Two plainclothesmen, who apparently are the fathers of students studying at the school, tried to violently shove the MAS members into their pickup truck." It further says that because the MAS members refused to get in the truck, they were escorted to the investigative brigade of the San Justo police on foot. The MAS communique states that "on their way to the police station, one of the policemen -- apparently a Federal police corporal -- threatened to kill one of the MAS members, stating: If you get out tonight, I will kill you."

After they were delayed for 1 hour at the San Justo police station, the three MAS members were freed. Later, they filed denunciations reporting the threats they received.

FUNARO, GROS MEET BANKERS, WRAP UP U.S. VISIT

Deliver Copy of Economic Plan

PY101713 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 10 Apr 87

[Text] Finance Minister Dilson Funaro met in Washington yesterday with representatives of five U.S. banks. Funaro delivered copies of Brazil's 4-year economic plan estimated at $4 billion per year to Brazil's creditors. The plan calls for a 7-percent growth rate per year during the 4 years the plan will be implemented.

Funaro and his Argentine counterpart, Juan Sourrouille, yesterday addressed the IMF preparatory commission. They expressed their disagreement with the strategy regarding the foreign debt of the developing countries. Funaro and Sourrouille noted that in view of the drop in the amount of resources entering their respective countries, the only feasible alternative is to reduce the financial drain which the servicing of their foreign debts represents.

According to Minister Funaro, Brazil is starting its contacts with a proposal designed to achieve a durable solution to the debt problem.

Minister Funaro also discussed the pressure being exerted on the Brazilian economy by commercial banks through the following: the high costs of the debt; the large transfer of resources favoring the banks, which in the past 4 years have received from Brazil more than $30 billion in interest payments despite the country's not having received any new loan since 1985; and finally, the minister said that almost the entire debt contracted with commercial banks was contracted with fluctuating interest rates, a fact which increases the Brazilian economy's vulnerability abroad.

Minister Funaro said to meet the country's financial needs to continue developing, the proposal contains three main points: first, the substantial reduction of the cost of the debt; second, the need for automatic rescheduling of interest payments due during the 1987-91 period; and third, the adoption of various conversion mechanisms to finance projects to prevent the debt from increasing, and thus to reduce the Brazilian economy's vulnerability to fluctuations of the international interest rates.

Minister Funaro said few creditor countries have honored their commitment to renew credits to Brazil, thus making it much more difficult for Brazil to continue sending large amounts of resources abroad.

Dilson Funaro ended his speech by expressing the hope that within the new concept the foreign debt issue is beginning to have, Brazil's efforts will be met halfway by all its creditors.

Assess U.S. Negotiations

PY110227 Rio de Janeiro Rede Globo Television in Portuguese 2255 GMT 10 Apr 87

[Text] The IMF Interim Committee meeting closed in Washington today and a new round of negotiations opened in New York between Brazilian Central Bank President Francisco Gros and the creditory banks. Brazilian Finance Minsiter Dilson Funaro reported in Washington on the results of 3 days of talks.

[Begin recording] There was no mistaking the positive attitude of the president and the directors of the World Bank which we consider to be positive. The talks with Secretary Baker were equally positive. We discussed not only the financial system and its difficulties but also the possibilities of future negotiations. [end recording]

The U.S. press provided a balanced account of the negotiations. THE WALL STREET JOURNAL emphasized the Sao Paulo governor's request that Dilson Funaro be dismissed. THE WASHINGTON POST, however, splashed across its front page information concerning the speech of U.S. Secretary of Treasury Baker who asked the bankers to give the debtors more money on better terms, which is what Minister Dilson Funaro had proposed.

[Begin recording] [Video shows reporter Lucas Menendes speaking in front of the IMF headquarters in Washington] [Menendes] Minister Funaro will leave Washington today usnure about his future in Brazilian politics, but convinced that he is leaving behind many more people who now understand and support the Brazilian program. Brazil's main problems are with the private banks in New York. Brazilian Central Bank President Francisco Gros spent the day negotiating with them.

[Gros] I would say there was a certain amount of doubt and perplexity and I perceive that the bankers' strategy is to await a more in-depth evaluation of the Brazilian program. This evalaution is being conducted by officials of their respective governments and of international agencies including the World Bank. [end recording]

Brazil will send a telex to all creditor banks asking them to refrain from demanding payment of $9.6 billion, which is due on 15 April and represent more than half the short-term lines of credit these banks have extended to Brazil. Central Bank President Francisco Gros today relayed this information to the steering committee of creditor banks.

World Bank Mission To Visit

PY111457 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 11 Apr 87

[Text] Brazil is thinking of resuming interest payments on its foreign debt as soon as possible, and it has found a favorable climate among its creditors. This remark was made by Central Bank President Francisco Gros, who announced negotiations will begin in May when a mission from the World Bank will come to Brazil to study the government economic plan.

Gros yesterday handed to bankers a document which outlines plans for Brazil's economic development over the 1987-91 period. He also requested that bankers postpone the maturity of $9.6 billion in debts that will fall due on 15 April. He explained that this sum will be deposited in an account accredited to the creditors at the Central Bank to ensure Brazil does not run out of dollar reserves.

Funaro Returns 12 Apr

PY131637 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 13 Apr 87

[Text] Finance Minister Dilson Funaro returned to Sao Paulo yesterday after a week-long visit to the Untied States, where he contacted financial circles and IMF officials.

According to Funaro, Brazil could not convince the bankers that growth is the only solution to the debt crisis. Yet he explained the World Bank has supported the Brazilian Government, which will receive approximately $2.5 billion of the $4 billion it requested.

SOVIET UNION WANTS TO PURCHASE MICROCOMPUTERS

PY131651 Sao Paulo Radio Bandeirantes in Portuguese 1600 GMT 13 Apr 87

[Text] The Soviet Union wants to buy microcomputers from Brazil. The negotiations between the two governments are well under way. The microcomputers will be used at Soviet primary schools.

SPANISH FOREIGN MINISTER ENDS OFFICIAL VISIT

PY101449 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 10 Apr 87

[Excerpts] Yesterday Spanish Foreign Minister Francisco Fernandez Ordonez, on his last day in Brazil, reiterated that international creditors must share the burden of the Brazilian foreign debt.

Fernandez stated during a news conference that the debtors are not the only ones to blame for not being able to honor their foreign debt; the creditors and the conditions imposed for payment are also at fault.

However, the Spanish minister does not believe economic problems will have a negative political impact in Brazil, especially regarding the transition toward democracy. [passage omitted]

[Begin Fernandez recording in Spanish -- no translation] We have discussed the political dialogue between Europe and Latin America, the Central American problem, and subjects of importance such as the Brazilian proposal to turn the South Atlantic into a peace and cooperation zone, a proposal which Spain has supported and continues to support. [end recording] [passage omitted]

EDUCATION MINISTER THREATENS STRIKING TEACHERS

PY101522 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 10 Apr 87

[Excerpts] Education Minister Jorge Bornhausen believes, the strike by university professors is unfair. He said the strikers will be punished should they not resume their activities on Monday, 13 April. The professors are striking for better salaries and more funds for the education sector. [passage omitted]

A total of 1.7 million public and private sector teachers throughout the country yesterday paralyzed their activities. Tomorrow they will meet in Brasilia to discuss the results of the national day of struggle. [passage omitted]

In Recife, public sector teachers have been on strike for 11 days. Upon completing the 10th day of their strike yesterday afternoon thousands of public sector teachers staged a rally in downtown Recife to protest the state government's refusal to heed their requests for higher salaries. The demonstrators, who marched toward the Campo das Princesas Palace to deliver a document to Governor Miguel Arraes, were stopped by the military police forces at the Praca da Republic. [passage omitted]

TROOPS WITHDRAW FROM TRAIN STATIONS 10 APR

PY101508 Madrid EFE in Spanish 1336 GMT 10 Apr 87

[Text] Rio de Janeiro, 10 Apr (EFE) -- The military troops that on 9 April took control of Rio de Janeiro's urban and suburban railway services have withdrawn to their barracks, leaving the military police to patrol and control these areas.

The military troops occupied the station in view of the danger of more incidents like those that occurred on 8 April at the central station of the Brazilian Urban Train Company (CBTU), where armed confrontations between security guards and passengers took place. The confrontations resulted in approximately 50 people being injured, 20 by bullets and the rest by stones.

CONSTITUENT ASSEMBLY TO SKIP JULY RECESS

PY101537 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 10 Apr 87

[Text] The Brazilian congressmen will work during July in view of the urgency to draw up a new constitution. This information was disclosed by Constituent Assembly President Ulysses Guimaraes President who added that only the Chamber of Deputies and the Senate, and not the Constituent Assembly, will observe the mid-year recess.

He added that it is up to the chairmen and coordinators of each committee of the Constituent Assembly to decide whether they are going to work weekends.

TERRORISTS RAID RADIO STATIONS, REPORTER'S HOUSE

FPMR Attacks Stations

PY140308 Madrid EFE in Spanish 0224 GMT 14 Apr 87

[Text] Santiago, 13 Apr (EFE) -- Four Chilean radio stations -- two in Santiago and two in Valparaiso, the main port of the country -- were raided today by armed invididuals who identified themselves as members of the Manuel Rodriguez Patriotic Front [FPMR].

According to reports broadcast by Santiago radio stations, the radio stations "Bethoven FM" and "La Clave FM" were attacked in the capital. From Valparaiso it was reported that the attacked radio stations were "Fundacion" and "Amapola."

The U.S. AP news agency office in Santiago also was attacked tonight. The attackers painted antigovernment slogans on the walls.

In the case of the attacked radio stations in Santiago, the attackers managed for a few minutes to transmit a statement issued by their movement, stating that "the pope's truce has ended." This truce was announced a few weeks before the pope's arrival. The military regime considers the FPMR the armed branch of the Communist Party.

The same statement was also left in the AP office, where two of its reporters were locked up and threatened with a bomb reportedly planted in the offices.

Correspondent's Home Ransacked

PY140145 Madrid EFE in Spanish 0144 GMT 11 Apr 87

[Text] Santiago, 10 Apr (EFE) -- The house of Anthony Boadle, chief UPI correspondent in Chile, has been raided by unidentified individuals who checked his documents and other belongings while he and his family were out. This incident has been confirmed by Boadle, who said the attackers entered his house by kicking down the door. After searching and checking the entire house, they only took his personal computer, but did not touch other valuable objects, including money that was in clear sight.

He stated: "Upon returning to my house last night, I found the door kicked down. All my documents had been gone through, the beds were messed up, and clothes had been taken out of the wardrobes."

The UPI chief has reported the strange attack to the police and to the Association of Foreign Correspondents, which this afternoon released a statement expressing "concern" over this type of incident, which "forbodes risks to people and a serious threat to the freedom to fulfill our professional functions."

The note issued by the Association of Foreign Correspondents adds that the attack on Boadle's house is added to other events, including the detention of CBS correspondent in Chile Leopoldo Correa while he was fulfilling his professional duties during the incidents that occurred during the pope's mass in O'Higgins Park in Santiago.

The statement goes on to say that German reporter Tomas Machtigall, of WDR radio of Colonia, was attacked by a civilian while he was taking pictures of a police action in downtown Santiago. He was later detained by the Carabineros and his house searched by unidentified civilians.

The foreign correspondents' note adds that these incidents, which we hope will be cleared up, are added to recent remarks and comments "that try to defame the foreign press because of a few headlines and sensationalist reports" that some media in other countries have published about the pope's visit to Chile.

The Chilean Human Rights Commission also has issued a note, expressing its deepest concern over the attack on the house of the UPI correspondent. The note said this incident is added to a number of similar events that have the same threatening characteristics.

The note added that incidents such as the attack on the reporter's house have become almost routine affairs conducted by unidentified individuals who, with high precision and important logistical support, act against the homes of reporters. They raid and search the homes of these professionals with absolute impunity, it concluded.

RADIO 'INVITED' COLOMBIAN JOURNALISTS TO LEAVE

PY110345 Santiago Domestic Service in Spanish 2200 GMT 10 Apr 87

[Text] Radio Mineria Director German Gamonal has said the departure of the Colombian reporters from the radio station during the pope's visit to Chile had nothing to do with the government. The Colombian reporters from CARACOL Radio Network were using Radio Mineria telephones and other equipment to do their work. However, Gamonal said, that the Colombians distorted the Chilean lifestyle while reporting on the activities of the pope. He added they had been invited to leave Radio Mineria studios because they were damaging the good name of the station. According to Gamonal, who has already sent a letter to the Colombian station explaining the incident, the journalists returned the following day to retrieve their equipment and then left for a downtown hotel, from where they probably traveled to Buenos Aires. One of the Colombian reporters was Carlos Lemus, who was foreign minister during the administration of Cesar Turbay Ayala.

CNI ARRESTS STUDENTS FOR O'HIGGINS PARK INCIDENT

PY101545 Santiago Radio Chilena Network in Spanish 2200 GMT 9 Apr 87

[Text] Two former students from Santiago University were arrested by the National Intelligence Center (CNI) this morning. They were charged with participating in the disorders at O'Higgins Park during the eucharist ceremony presided over by Pope John Paul II. This was confirmed by the CNI when it reported that a petition for protection had been presented favoring the young electrical engineering graduate Jorge Ernesto Jana Obregon. Teresa Obregon, mother of the young engineer, said her son was arrested by civilians at his home in the Maipu neighborhood at 0500. They said they were following orders from the Santiago military garrison.

She added that despite the holiday, Jorge Ernesto Jana had been working on 3 April at the offices of the electrical engineering company IDIET [not further identified] where he had been employed for several months. Teresa Obregon added that the owners of the company -- located on Serrano Street -- as well as the rest of the personnel in the office, have confirmed that Jorge Jana spent the entire day working on an urgent project that had to be submitted on 6 April. She said there is evidence he did not leave the office during the day and that the office workers as well as their employers are willing to confirm this. Teresa Obregon concluded by saying that a relative of Ivan Enrique Barra, the other former univesity student whose photograph appeared in a Santiago daily, has confirmed that he as arrested this morning. She added that Barra remained at the CNI office on (Borgono) Street.

PARIS CLUB BANKS TO REFINANCE NATION'S DEBT

PY111908 Santiago Domestic Service in Spanish 1600 GMT 11 Apr 87

[Text] Chile has reached an agreement with the Paris Club to refinance the largest portion of its debt, which will fall due during the 1987-88 period. This lightens Chile's financial burden by $140 million. This information was provided by banking sources in New York. The interest rate has not been changed, but the obligations have been spread over a 7-year period. This agreement with the governments of the FRG, Austria, Spain, France, and Japan was hammered out by Chile's main negotiator, Hernan Sommerville.

Chile's total foreign debt amounts to $19 billion, and Sommerville has recently reached an agreement with creditor banks, restructuring the repayment of $12 billion of that total over a 5-year period.

FOREIGN MINISTER ADDRESSES BUSINESSMEN ON EXPORTS

PY110327 Santiago Domestic Service in Spanish 2200 GMT 10 Apr 87

[Text] Foreign Minister Jaime del Valle met with private businessmen during a working lunch at the Foreign Ministry to study ways to markedly increase exports in the coming years. During the meeting the minister also discussed with his guests U.S. Senator Edward Kennedy's idea of applying economic sanctions to Chile.

Del Valle said before the meeting that his objective was to coordinate the efforts of the Foreign Ministry, through PROCHILE [Chilean Institute for Export Promotions], to increase exports. He also said the government has already stated U.S. courts do not have jurisdiction over the civil suit filed by Rodrigo Rojas' family. Commenting on the petition of the European parliament on Clodomiro Almeyda, the Foreign Minister said Chileans and foreigners have the right to make petitions. He concuded by saying he will meet with U.S. Ambassador to Chile Harry Barnes in the near future before leaving for Montevideo.

ELN GUERRILLAS KILL 12 DRUG TRAFFICKERS

PA101507 Madrid EFE in Spanish 0202 GMT 7 Apr 87

[Text] Bogota, 6 Apr (EFE) -- Twelve drug traffickers were killed today in a clash with rebels of the National Liberation Army (ELN) in the mountains on the Venezuelan border.

Police reported that the clash occurred in "El Llanon," in the eastern mountain range, Cesar Department, but no more details were disclosed.

CARACOL, the radio network, reported that the drug traffickers were members of the band of Carlos Molina, alias "Caspita." This band carried out a massacre 3 years ago in which seven health workers were killed.

'WAVE OF VIOLENCE' CAUSES 73 DEATHS IN 1 WEEK

PA131840 Bogota EL SIGLO in Spanish 10 Apr 87 pp 1, 6

[Text] The Security Council met secretly yesterday to analyze in depth the wave of violence sweeping the country, which has caused 73 deaths in 1 week, including 4 policemen, 2 military men, peasants, 2 lawyers, 4 guerrillas and which includes attacks against the oil company.

It was officially reported that the following were briefed on the situation regarding public order: Government Minister Eduardo Suescun Monroy; Communications Minister Edmundo Lopez Gomez; Defense Minister General Rafael Samudio Molina; DAS [Administrative Department of Security] Director General Miguel Alfredo Maza Marquez; and Armed Forces Commander in Chief General Jaime Guerrero Paz.

The Security Council meeting, which was held at the Defense Ministry, was also attended by Army Commander in Chief Major General Oscar Botero Restrepo; Police General Director General Jose Guillermo Medina Sanchez; Navy Commander Vice Admiral Rafael H Grau Araujo; Air Force Commander in Chief general Gilberto Franco Vasquez; and heads of security services.

According to official reports, the wave of violence resulted in 73 citizens killed, only counting the Departments of Valle del Cauca, Antioquia, and Santander, and the Arauca national administration area.

In Valle del Cauca, there have been 27 murders, among them two lawyers, and an attack against Victor Humberto Marmolejo Roldan, fifth circuit judge for the Cali legal district.

In Santander Department, there have been 31 violent deaths caused by a wave of leftists guerrilla incursions, especially those of the National Liberation Army [ELN].

Among the casualties are three peasants "executed" by rebels at Carime village, Cimitarra municipality, in the San Vicente de Chucuri rural area, seemingly for refusing to collaborate in clandestine and illegal activities.

The authorities also reported that ELN-linked persons killed farmhands Jose Antonio Rivas, Carlos Vargas Tito, and Hector Leon after the three were accused of being informers for the police. This took place at El Toboso village, El Carmen municipality.

According to reports presented to the Security Council, since Tuesday, there have been violent clashes in Arauca with guerrillas who attacked the Puerto Rondon district, killing two policemen and one civilian.

Afterward, that same ELN column ambushed a patrol, killing another policeman and a woman who had been picked-up by the police convoy. In another clash a soldier was killed. In the ensuing pursuit, six insurgents were shot down.

The ELN guerrillas blew a part of the Cano Limon-Covenas oil pipeline, near the 64-km point, at the village of Banadia in the Saravena municipality. The losses amount to millions, and they have not been determined yet by the state-owned ECOPETROL [Colombian Petroleum Enterprise]. An official spokesman said that the damage was so great that crude oil pumping had to be suspended indefinitely.

At the place where the attack took place, Occidental Petroleum Company officials have been working under National Police and military forces; permanent protection to avoid being attacked by the guerrillas.

It has not been possible to learn what measures were adopted at the Security Council meeting because of the total silence kept by government officials and the Armed Forces.

BRIEFS

ALLEGED DEA AGENT IMPRISONED -- Luis Jimenez, an alleged DEA agent, is being held under extremely severe security measures. He was captured yesterday with 30 kg of cocaine at Barranquilla airport as he was ready to leave for New York. [Text] [Bogota EL SIGLO in Spanish 4 Apr 87 p 1 PA]

COCAINE CONFISCATION -- In operations carried out in two sectors of southwestern Bogota, security forces confiscated 41 kg of cocaine and arrested six suspected drug traffickers. In a rural area near Pereira, a drug processing laboratory was discovered and three individuals were arrested. [Text] [Bogota El SIGLO in Spanish 10 Apr 87 p 1 PA]

TRADE AGREEMENT WITH ECUADOR -- Cali, 4 Apr -- After 3 days of meetings, Colombia and Ecuador signed -- through Ecuadoran Commerce Minister Ricardo Novoa and Samuel Alberto Yohai, director of the Colombian Foreign Trade Institute -- a new trade agreement that will be in force until 31 December 1987. Twenty-six new Colombian products were included in the agreement, which will permit up to $150 million in trade. [Summary] [Bogota EL TIEMPO in Spanish 5 Apr 87 p 9a PA]

MINISTER TO EXPLAIN PRESENCE OF U.S. TROOPS

PA131617 Quito Voz de los Andes in Spanish 1130 GMT 13 Apr 87

[Text] National Defense Minister Medardo Salazar Navas will appear before the National Congress' International Affairs Committee this week to report on the presence of U.S. troops in Ecuadoran territory.

We recall that initially he was supposed to have rendered his report last Tuesday. However, at the minister's request, his presentation was postponed to a later date, yet to be determined.

Fernando Guerrero, president of this legislative committee, said he believes that the session could take place on Tuesday or Wednesday of this week.

It was learned that on that occasion the defense minister will clarify reports on the presence of U.S. troops in the province of Manabi, the purpose and scope of their presence, how long they will be here, and whether or not the activities carried out by those troops could he handled by special units of the Ecuadoran Armed Forces.

FEBRES CORDERO VETOES PRICE-FREEZE BILL

PA131501 Quito Voz de los Andes in Spanish 1230 GMT 12 Apr 87

[Text] The legislative decree vetoed by President Leon Febres Cordero -- freezing prices of staple products, fuel, and basic service tariffs -- was published in the official register on Wednesday, 8 April.

In his list of reasons addressed to National Congress President Andres Vallejo, the president explained why he adopted this position. He pointed out that Ecuador's economic life falls within the framework of the market system, one of the main premises of which is efficiency. He stated that the economy should safeguard the principles promoting social justice and those ensuring the entire population will have living standards in keeping with human dignity. He pointed out that to ensure efficiency it is necessary for economic activities to develop in a manner in which they can recover investments in the productive process and achieve fair profits.

The president stated that freezing prices in a market economy system would be unrealistic; it would only be acceptable as a temporary measure in an emergency. Based upon these premises, President Febres Cordero feels that the bill is unconstitutional and disadvantageous because it goes against the market economy system established in the constitution, and conspires against peoples' interests as it threatens the survival of the production and employment centers. The president also stated that guidance of the national economy under the present circumstances requires a margin of discretion in the application of proper and timely regulations that will deactivate and control inflationary tendencies, yet will guarantee a normal supply of food and raw materials.

The president pointed out that the bill introduces a high degree of inflexibility which would result in serious economic distortions and would worsen the poorer sectors' social situation instead of improving it. Febres Cordero said that inflation is caused by structural defects in the domestic economy and by increased costs generated abroad; therefore, a price freeze limited to consumer goods, not extending to all costs and prices, ranging from production to imports, consumption and exports -- a freeze that would be impossible to apply -- would seriously distort the price relationships among goods and services on the market. This would create anarchy in businesses and marketing.

The president stated that approximately 1 month after the date on which the freeze was to be established, the prices of most goods and services have reached new levels; therefore, it is very difficult to administratively lower prices through a retroactive law, especially the prices of mass consumer goods. This becomes even more complex if supply does not increase rapidly. In conclusion, he pointed out that the potable water and electricity tariffs for domestic use have already been frozen through previous decrees that favor or subsidize the lower-income and consumption sectors, which makes the new decree redundant and unnecessary.

'ALFARO LIVES' RESUMES TERRORIST ACTIVITIES

PA132222 Madrid EFE in Spanish 1827 GMT 13 Apr 87

[Text] Quito, 13 Apr (EFE) -- "Alfaro Lives, Damnit" movement announced today through a press communique that it has reorganized and has resumed its terrorist activities following its virtual disappearance as a result of the death of most of its leaders last year.

According to the communique the bomb which exploded at Quito's traffic police station at dawn on 7 April is evidence of its reemergence. Eleven vehicles were destroyed by the explosion.

One of the objectives of the "Alfaro Lives" movement following its reorganization, which according to the communique took place at a "meeting of commanders" in Quito this past March, is "to struggle for the dismissal from office of Febres Cordero."

The movement also wants Lieutenant General Frank Vargas Pazos, a former rebel who was granted amnesty and is currently a communist presidential candidate, to be acknowledged as "the general commander of the Armed Forces."

"Alfaro Lives," the only guerrilla organization that has operated during the past few years in Ecuador, lost three of its commanders -- Fausto Basantes, Arturo Jarrin, and Hamed Vasconez -- in 1986 as a result of clashes with the police.

It had been believed that the group was almost dissolved until the bomb exploded at the police station on 7 April.

POLICE STAGE 'VIOLENT' ATTACK ON RELIGIOUS GROUP

PY132017 Paris AFP in Spanish 1939 GMT 13 Apr 87

[Text] Asuncion, 13 Apr (AFP) -- At least a dozen people were injured and others were bruised today by a violent police repression against priests, nuns, and seminarians in Asuncion, when security forces attacked the participants of the Way of the Cross Ceremony being held as a part of Holy Week on the streets around the Greater Seminary of Paraguay.

Sources from the Greater Seminary have told AFP that during the attack, one seminarian was detained, two priests were held, and a priest's pickup truck was seized by the police.

The violence with which the police attacked caused the hospitalization of at least one seminarian because he was losing too much blood, his colleagues reported.

MINISTRY SAYS DIPLOMATIC NOTES END TAYLOR CASE

PY111300 Asuncion EL DIARIO in Spanish 10 Apr 87 p 12

[Text] Regarding last February's incident involving U.S. Ambassador Clyde Taylor, Foreign Ministry sources yesterday remarked that an exchange of diplomatic notes has ended the disagreement without undermining the dignity or sovereignty of either party.

It was learned from Foreign Ministry sources that on 18 February 1987, Marcos Martinez Mendieta, Paraguayan ambassador to the United States, delivered a note to the State Department on the 9 February incident involving the U.S. ambassador. This note, a reply to the State Department note of 10 February 1987, stated in the name of our government that "the security forces did not attack or intend to intimidate or to offend the U.S. ambassador."

The note presented by the Paraguayan ambassador added that "as is publicly known, the security forces had to take action to disperse an unruly crowd that gathered in the vicinity of the house where a meeting of an obviously political nature was being held, judging from the way it was advertised and the objectives behind it."

The note stated that "the Government of the Republic of Paraguay regrets any inconvenience or discomfort this action may have caused to the head of the diplomatic mission of a friendly country like the United States, as well as to officers of that mission." It added that "the Government of the Republic of Paraguay formally reiterates its unwavering decision to keep its national and international commitments concerning the protection of the dignity and security of individuals and their rights, especially -- as in this case -- of those included in the Vienna Convention on Diplomatic Relations, which Paraguay has faithfully observed. Those people who are protected by this privileged status are also urged to comply with the rules established in the above international convention."

It was learned from the same source that subsequent talks held by officials of the Paraguayan Embassy in Washington with senior State Department officials such as Mr Michael H. Armacost, under secretary for political affairs, and Mr Robert Gelbard, deputy assistant secretary for South America, resulted in an exchange of notes that ended the disagreement without undermining the dignity or sovereignty of either party but acknowledging the rights and duties of each party.

RADIO NANDUTI HOPES TO REOPEN 14 APRIL

PY131827 Asuncion ULTIMA HORA in Spanish 11 Apr 87 p 2

[Paid advertisement signed by Radio Nanduti, entitled "Radio Nanduti"]

[Text] We are committed to democracy and justice because we want a new time for our country, a time that our society deserves to experience.

For 25 years we have waved the banners of justice and democracy, facing all sorts of difficulties in a muzzled country, stubbornly engaged on the adventure of impartially disseminating news and ideas, encouraging the people to raise their own voice and thus to accomplish the miracle of a dialogue in which all of us can participate. Those who oppose democracy and justice hinted at their reaction on several occasions until, on 28 April 1986, we were the target of the first attack. Those who attacked us perhaps were the same hooded individuals who 5 days later, early in the morning, held up with impunity our transmission plant, breaking the equipment and stealing mobile units.

These attacks were followed by the electronic interference, the economic boycott, the cutting off of our telephone communications with foreign countries, the inevitable 90-day closure -- due to the absolute lack of guarantees -- and the courts' silent answer to our claims and reports.

ANTELCO [National Telecommunications Administration] suddenly issued a resolution "for the sake of" the Law of Telecommunications, canceling almost all radio station licenses and forbidding the stations that interrupted their transmissions from resuming them unless they normalize [preceding word in boldface] their situation. It should be noted that Radio Nanduti is the only station affected by this resolution. In an effort to conceal the real purpose of the resolution, some journalists have claimed that other stations have also been affected. Yet the truth is that Radio Ypacarai closed down long ago, Radio Chaco Boreal has for years transmitted only on FM, and no one knows Radio Asuncion O.C., except for its shortwave broadcasts, which, incidentally, have never been on the air. In the past, this station had another owner and another name: Radio Teleco.

The ANTELCO resolution says radio stations must normalize their situation. This seems ironic to us, because for several years, Radio Nanduti has unsuccessfully tried to renew its license. We have not even succeeded in our efforts to pay the corresponding fees on our AM and FM frequencies, and on our communications and mobile units. We have the documents because we keep all the forms we have submitted to ANTELCO, and they bear the seal and signature of that institution.

However, despite everything, we have a strong and able team. We are a group of machines and men committed to a new time. We are ready to resume our work for this objective at any time. Each one of us is ready...technicians, journalists, editors, announcers, designers, clerical workers, and the assistant, who still keeps his job and, like everyone else, his hope and his determination.

This is why we hope to be on 1020 kHz on 14 April, as we have announced through all the media. The decision will be made by the court. The renewal of our license is not in our hands; it depends on others, just as the interference, the harassment, the seizure of our passport, and the car that follows us wherever we go also depend on others.

There is one thing that they have been unable to take from our hands and from our voice: our commitment to a NEW TIME.

POLICE ARREST OPPOSITION PARTY ACTIVISTS

PY131816 Asuncion EL DIARIO in Spanish 13 Apr 87 p 8

[Text] Manuel Benitez Florentin, president of the Authentic Radical Liberal Party [PLRA], yesterday reported the arrest of several PLRA militants, including Juan Carlos Zaldivar, president-on-leave of the PLRA.

The arrests took place when the PLRA Committee of Capiata met at the residence of Ricardo Jara in that town to discuss the reorganization of party committees. Subjects of national interest, such as the political situation in the country after the lifting of the state of siege, were also on the agenda.

The arrested persons, among whom is host Ricardo Jara, were initially taken to the Posta Ybycua police station and later to police headquarters in Asuncion.

URUGUAY'S SANGUINETTI DISCUSSES FOREIGN DEBT, VIOLENCE

PY111927 Lima Panamericana Television Network in Spanish 0300 GMT 11 Apr 87

[Text] Uruguayan President Julio Maria Sanguinetti granted a press conference tonight before returning to his country tomorrow. In a dialogue with journalists, he commented on the foreign debt [passage indistinct].

Regarding the debt, he said so far, a mechanism to handle the problem has not been found, but it is obvious that, lately, there have been great changes in favor of the debtors. He said the situation has changed and Mexico, Peru, and Uruguay have obtained some success in their negotiations, each one through different methods. He believes that each country should handle its debt in its own way.

Regarding Central America and the Contrada Group, he said the solution is being delayed by certain details, such as the narrow-minded nationalistic ideas of each nation, the different political regimes, and egocentrism, which would sacrifice long-term solutions for immediate ones.

The Uruguayan president also referred to the democratic winds which have been sweeping through Latin America. He said we have been witnessing a vigorous democratization process, which is becoming more and more consolidated.

Further on in the press conference, Dr Sanguinetti rejected and condemned terrorism.

[Begin Sanguinetti recording] As a Uruguayan president, I do not have sufficient data on it. I can say, however, that subversion is democracy's greatest enemy, and that subversive activities -- which are sometimes painted in romantic colors or hidden behind generous-looking camouflage -- usually cause effects entirely the opposite of those proclaimed by their sponsors. Violence is never harmless, it always produces results. These effects, however, are often contrary to those being caught.

The way for all rightist dictatorships in Latin America was paved by violence. Thus, this apparently leftist guerrilla activity definitely strengthens reactionary and antidemocratic forces. The opposite also occurs: rightist violence strengthens extremist leftist movements and forces. [end recording]

Joint Declaration Signed

PY111556 Lima Radioprogramas del Peru Network in Spanish 0012 GMT 11 Apr 87

[By Reporter Teresa Gonzalez from Government House]

[Excerpt] Presidents Julio Maria Sanguinetti and Alan Garcia Perez have signed a joint declaration reaffirming their total support of Latin American integration, peace in Central America, political conciliation, as well as economic integration and the strengthening of democracy. The two presidents, who were accompanied by Foreign Ministers Allan Wagner and Enrique Iglesias, signed the declaration after their long second and final meeting.

Among the topics included in the joint declaration were support for the institutionalization of the Latin American Parliament by convoking a meeting of plenipotentiary representatives to sign the appropriate documents and study mechanisms to create Latin American cultural integration.

Sanguinetti fully supported the proposal by the Mexican and Peruvian presidents to organize in Lima a round of talks among the chiefs of state of the Contadora Group to strengthen Latin American cooperation and conciliation.

Regarding the Central American crisis, Sanguinetti defended the principles of self-determination and nonintervention. He also expressed support for a peaceful solution to the conflict.

In the declaration, the two presidents reaffirm their solidarity with the struggle of the brother Republic of Argentina for its rights over the Malvinas Islands. They also express satisfaction with the UN General Assembly decision to establish the Regional Center for Peace, Disarmament and Development office in Lima.

Regarding the foreign debt, the declaration expresses respect for the sovereign decisions of each country, and for the Cartagena Consensus.

At the bilateral level, the declaration emphasizes the countertrade agreement recently signed, and acknowledges the positive achievements obtained in the field of technical cooperation. The declaration also emphasizes the signing of agreements for cooperation in tourism and for the protection and preservation of the two countries' cultural patrimonies. The two presidents signed these agreements a short while before signing the joint declaration.

Uruguayan President Julio Maria Sanguinetti thanked President Garcia and his wife for their hospitality, and praised the atmosphere of cooperation which permeated his visit, a further step toward Latin American integration. [passage omitted]

Sanguinetti Departs 11 Apr

PY112141 Paris AFP in Spanish 2127 GMT 11 Apr 87

[Text] Lima, 11 Apr (AFP) -- An official source has reported in Lima that Uruguayan President Julio Maria Sanguinetti today left for his country at 1510 local time.

Sanguinetti left from a military base adjacent to the international airport. President Alan Garcia, Foreign Minister Allan Wagner, and other cabinet members went to the airport to see off the Uruguayan President who was here on an official 4-day visit.

TERRORISM INCREASES DURING SANGUINETTI'S VISIT

PY131640 Paris AFP in Spanish 1624 GMT 11 Apr 87

[Excerpts] Lima, 11 Apr (AFP) -- According to a review made today by the police, the killing last night of a Marxist mayor in Puno Department by a guerrilla group has raised to 12 the number of people killed during the wave of violence unleashed by the Shinning Path guerrillas in the past 72 hours.

Simultaneously, the Maoist guerrillas have perpetrated a number of attacks on public and private property, causing substantial damage. These attacks coincided with the official visit that Uruguayan President Julio Maria Sanguinetti recently made here.

The subversive actions, perpetrated throughout Peru, have resulted in the killing of four Army members, a Republican Guardsman, a public servant, and five ordinary citizens.

Observers consider the Shining Path offensive as part of a Shining Path strategy to draw international attention by taking advantage of the Uruguayan president's visit.

Meanwhile, President Alan Garcia said last night his government will not lose patience regarding the Shining Path, which seeks to destroy the country. For his part, Senate President Armando Villanueva today stated that democracy must try to hold talks with the Shining Path to prevent the bloodbath from continuing. [passage omitted]

President Alan Garcia also said last night that Peru will not give up the banners of democracy and tolerance because of the insanity of a few (Shining Path) and that the country will not go backwards, will not be intimidated, and will not be scared.

Garcia described the Shining Path offensive as occasional attacks, attacks that will not hinder Peruvian projects because for every killing there are millions of newborns and people alive and because for every building that is blown up there are millions of buildings that remain standing.

TERRORISTS KILL SOLDIERS, CIVILIANS IN RESTAURANT

PY101735 Lima Radio del Pacifico in Spanish 1300 GMT 10 Apr 87

[Excerpts] Senate President Armando Villanueva del Campo and War Minister General Jorge Flores Torres condemned and repudiated the terrorist attack against military officers that took place yesterday afternoon. [passage omitted]

Minister Flores said he did not know the details of the attack but he explained that the terrorists broke into a restaurant in the Rimac district where Army officers were dining, and shot their defenseless victims with submachineguns.

Two lieutenant colonels, a captain, a sergeant, and three civilians were killed, the minister said.

USSR'S KUDRYAVTSEV SIGNS JOINT FISHING AGREEMENT

PY110107 Montevideo Radio Carve in Spanish 0000 GMT 11 Apr 87

[Text] The Soviet Union and Uruguay this afternoon signed an agreement on cooperation related to fishing and port activities. Uruguayan Minister of Transportation and Public Works Jorge Sanguinetti and USSR First Deputy Minister of Fish Industry Nikolay Kudryavtsev signed the agreement.

PRESIDENT SANGUINETTI RETURNS FROM PERU VISIT

PY122208 Buenos Aires TELAM in Spanish 1636 GMT 12 Apr 87

[Text] Montevideo, 12 Apr (TELAM-ANSA) -- Uruguayan President Julio Maria Sanguinetti has described his 4-day visit to Peru as successful, and he said the results were positive for the two countries.

During his stay in Lima, Sanguinetti announced his support for the idea of Peruvian President Alan Garcia and Mexican President Miguel de la Madrid to promote a presidential summit of the Group of Eight.

This group was created in January 1987 in Rio de Janeiro and, in addition to Mexico, includes Peru, Uruguay, Argentina, Brazil, Venezuela, Colombia, and Panama.

INTERNATIONAL CONFERENCE ON TORTURE OPENS 7 APR

PY070115 Montevideo Radio Carve in Spanish 0000 GMT 7 Apr 87

[Text] Uruguayan Foreign Minister Enrique Iglesis and Education Minister Adela Reta today opened an international meeting against torture. The meeting, attended by Latin American and European experts on human rights, will end on Thursday. The objective of the gathering is to discuss the proposal for an American convention that would complement other international mechanisms for the prevention of torture. [passage indistinct]

FRG FOREIGN MINISTER HOLDS TALKS WITH CONSALVI

LD091032 Hamburg DPA in German 1404 GMT 8 Apr 87

[Excerpts] Caracas, 8 Apr (DPA) -- The debt problem, particularly in the Latin American states, calls for a willingness to be flexible on both sides, Federal Foreign Minister Hans-Dietrich Genscher emphasized on Wednesday in Caracas. In a detailed political talk with Foreign Minister Simon Alberto Consalvi, Genscher predicted a painful adaption process in the industrialized states. The federal foreign minister arrive in the Venezuelan capital on Tuesday. [passage omitted]

After his talks with Consalvi, Genscher saw the future focus of German-Venezuelan relations, above all in joint investments in the aluminum and petrochemical industries, which could be supported by technology transfers.

In the historic Casa Amarilla, the Venezuelan Foreign Ministry, Genscher and Consalvi signed an air transport and cultural agreement, as well as a smaller aid project for the restoration of the Quinta Anauco Colonial History Museum. In a further exchange of notes the continuation of German technical cooperation with a volume of approximately DM3 million in town planning and town development and hydrography projects was laid down.

The air transport agreement, which replaces a number of temporary agreements, should soon be followed -- at the express wish of Genscher -- by an agreement on the "fifth freedom." This means the opportunity to carry passengers between target [ziel] and third countries. Genscher began his round of talks in Caracas on Wednesday with a breakfast for trade union representatives. [passage omitted]

Signs Cooperation Accords

PA100416 Caracas Television Service in Spanish 0000 GMT 9 Apr 87

[Text] Venezuelan Foreign Minister Simon Alberto Consalvi and FRG Vice Chancellor Hans-Dietrich Genscher signed important accords today. These accords will help improve relations between the two countries. Genscher arrived in Venezuela last night.

The accords deal with economic and cultural cooperation, air transportation and middle-size city development. These accords constitute the main purpose of the FRG minister's visit, who emphasized that Venezuela's firm democracy, the country's importance as a member of the Contadora Group, and its role in the hemisphere as a member of the UN Security Council have ensured the country enviable international prestige.

Prior to signing the accords, Consalvi and Genscher met in private and discussed important international affairs, such as the foreign debt, the Central American situation, and the support that the EEC should give developing countries. Foreign Minister Consalvi described this first day of work as very productive.

[Begin Consalvi recording] I think I have correctly interpreted the views and desires of various sectors of the Venezuelan community, from economic to cultural and scientific sectors, which see in the FRG great cooperation possibilities. [end recording]

The accord signed between PEDEVESA [Petroleos de Venezuela, S.A.] and Beva Oil gave tremendous importance to the relations between Venezuela and the FRG. According to the visiting vice chancellor, his country regards Venezuela as a safe investment market. For this reason, initiatives in this field will be multiplied during the coming months.

FRG will preside over the EEC beginning next year. According to Genscher, from his post the country will give every impetus to initiatives leading to the definite development of the Central American countries.

Meets With Lusinchi

PA101652 Caracas Television Service in Spanish 1600 GMT 9 Apr 87

[Text] In a meeting with President Jaime Lusinchi, FRG Foreign Minister Hans-Dietrich Genscher said the FRG has offered great economic support to the Central American countries and guarantees many investments in Venezuela.

In his meeting with the president, the FRG foreign minister said there are plans for FRG investments in Venezuela. He also expressed his admiration for President Lusinchi's economic policy, whcich is resolving financial and foreign debt problems. He said these policies guarantee the government's political stability, something that is favorably viewed by the FRG and which creates better conditions for new cooperation agreements.

At the end of the meeting with the Venezuelan president in Miraflores Palace, Foreign Minister Genscher met with Venezuelan Foreign Minister Simon Alberto Consalvi. After an exchange of opinions, they signed four important agreements that will contribute toward strengthening bilateral relations. They deal with cooperation in the fields of the economy, culture, air transportation, and development of medium-sized cities. Foreign Minister Simon Alberto Consalvi described the visit by his FRG counterpart as highly productive:

[Begin Consalvi recording in progress] ...duly expressed the viewpoints of the various sectors of the Venezuelan community, including the economic, cultural, and scientific sectors, which see in the FRG an extraordinary opportunity for cooperation. [end recording]

BRIEFS

SUPREME COURT LEADERS ELECTED -- Dr Rene De Sola was elected president of the Supreme Court of Justice with 12 votes out of a possible 15. Drs Otto Marin Gomez and Anibal Rueda were elected first and second vice presidents, respectively. [Summary] [Caracas Television Service in Spanish 0000 GMT 11 Apr 87 PA]

ARMY RESERVE COMMAND FORMED -- In a military ceremony, an Army resolution creating the Venezuelan Army Reserve Command and the Day of the Reservist, was read. Colonel Sergio Salvatierra was appointed commander of the aforementioned organization. [Summary] [Caracas Television Service in Spanish 1600 GMT 8 Apr 87 PA]

PSR BACKS CALL FOR COMMON LATIN AMERICAN FRONT

FL132350 Mexico City NOTIMEX in Spanish 0017 GMT 12 Apr 87

[Text] Mexico City, 11 Apr (NOTIMEX) -- The Revolutionary Socialist Party [PSR] has joined President Miguel de la Madrid's call to form a Latin American front that will seek to shake off the pressures on sovereignty and independence exercised by the United States through international financial agencies.

Luis Javier Velasco, member of the PSR executive committee, warned that Latin America is seeing a new phase of imperialism, created by economic pressures that force Latin America to practically give away its raw materials in exchange for some breathing space for its foreign debts.

Should this situation continue, he asserted, a series of social movements will occur that will lead to the collapse of current political systems and the imposition of others with dubious futures.

Javier Velasco noted the important thing for Latin America is to establish a common front that will help reduce the interest rate on the foreign debt and, if possible, avoid all payment on this score. This will only be achieved with the coordination of all the countries in the area, he stated.

He added that Mexico's policy toward Central America has brought about a number of pressures, but he agreed with the president's determination not to budge on international principles and to give support to nations that need it in the search for solutions to the area's problems.

FISHERIES SECRETARIAT OFFERS PLANS TO CEMA

PA131929 Mexico City EL DIA in Spanish 9 Apr 87 p 8

[Excerpt] Through the establishment of fishing agreements with the 10 member countries of CEMA, Mexico will be in a better position to allow use of its marine and lake resources and to improve the production and manufacturing processes of the products that have greater demand in the international market, the Fisheries Secretariat said yesterday.

The Fisheries Secretariat also noted that the first stage will encompass scientific and technological exchanges. Later, joint investment enterprises and other kinds of economic cooperation will be established.

The Fisheries Secretariat said that Mexico is interested in technological exchanges with the USSR and Poland because those two countries have wide experience in this activity.

Damaso Luna, director of the Fishing Secretariat multilateral affairs section, said that CEMA will respond to the plans proposed by Mexico within 4 months after studying the mechanisms to finance such plans.

Luna recalled that during the third meeting held by various work groups on fishing cooperation between Mexico and CEMA, they analyzed cooperation plans for processing several products such as sardines, anchovies, and tuna, and training Mexican technicians who will implement new techniques in fisheries and aquiculture. [passage omitted]

SUSPECTED DRUG TRAFFICKERS DOWN HELICOPTER

PA102006 Mexico City UNOMASUNO in Spanish 6 Apr 87 p 10

[Text] Chilpancingo, Guerrero, 5 Apr -- This morning suspected drug traffickers, using machinegun fire, downed a helicopter belonging to the Attorney General's office. The helicopter's registration number is XC3883. The incident took place in La Yerbabuena mountain range, 5 km from Izotepec. The four people in the helicopter, who were narcotics agents of the Federal Judicial Police Department, were killed.

As soon as they learned of the incident, Mexican Attorney General Sergio Garcia Ramirez and Assistant Attorney General Jose Maria Ortega Padilla left for the crash site. Immediately after their arrival, they ordered the Chilpancingo judicial authorities to comb the zone with the help of the Mexican Army.

It was learned that the helicopter was destroying a marijuana plantation discovered in the mountain range several days ago, thus the suspicion that drug traffickers down it. However, it was officially stated that, according to preliminary findings, a failure in the turbines was detected.

The federal public ministry office in Chilpancingo ordered a detailed investigation to establish whether the plane crashed because of mechanical failure or if it was in fact downed by Mafia attacks.

The bodies of Romeo Arceo Villavicencio, Rafael Ayala Velasco, and Francisco Javier Cordoba Ruiz, as well as that of an unidentified narcotics agent, were taken to Mexico City.

BRIEFS

MARIJUANA PLANTS DESTROYED -- Uruapan, Michoacan, 6 Apr -- The Office of the Attorney General has dealt a harsh blow to the drug traffic by destroying more than 10,000 marijuana plants in the Western Sierra Madre mountains. In addition, the Federal Judicial Police commander reported the destruction of a marijuana field in a Jalisco settlement, where the authorities also confiscated 25 kg of unprocessed marijuana, and 2 kg of marijuana seeds. They also destroyed two sheds where the marijuana was processed. No arrests were made in either case. [Summary] [Mexico City EL NACIONAL in Spanish 7 Apr 87 p 6 PA]

NARCOTICS TRAFFICKERS DISBANDED -- Guadalajara, 7 Apr -- A well-organized band of murderers and narcotics traffickers was disbanded by the "Jalisco Group" of the Federal Judiciary Police when it arrested seven individuals transporting 2,000 kg of marijuana to the United States. The police also seized three vehicles, firearms, and a trailer in which they were carrying the drugs. The seven narcotics traffickers were arrested in several operations in Nayarit and in Guadalajara. [Summary] [Mexico City EL NACIONAL in Spanish 8 Apr 87 p 6 PA]

PRD PRESIDENT COMMENTS ON U.S. SENATE RESOLUTION

PA132235 Panama City LA PRENSA in Spanish 12 Apr 87 p 1

[Article by Zoila Rodriguez Jovane]

[Text] Romulo Escobar Bethancourt, president of the Democratic Revolutionary Party (PRD), has stated that despite the U.S. Senate's acts of aggression, his party will not recommend that the executive break diplomatic relations with President Reagan's government, as "this would break off ties with that country." [sentence as published]

He added: "What we do want is for Panama's commercial horizon to be expanded so that it will not be penalized by the expected U.S. economic impositions."

Romulo Escobar Bethancourt stated that Senator Jesse Helms is Panama's worst enemy and the mastermind of a plan to discredit Panama, as he has maintained a campaign to this effect from the times of the late Omar Torrijos to the present, a campaign that is now being directed against the FDP [Panama Defense Forces].

He added that Senator Jesse Helms' behavior is caused by his loss of commercial service contracts worth millions [currency not specified] in the former Canal Zone. He lost these contracts due to the new contractual structure of present Panamanian-U.S. relations a "loss which for him is a festering wound."

Escobar Bethancourt called LA PRENSA Director Roberto Eisenmann Jr. a "conspirator" because he justified the U.S. Senate's aggression against Panama, stating that it is a consequence of General Noriega's internal policy.

He added that the opposition media are justifying this aggression as if Panama were a U.S. dependency, because it is linked to Panama's reactionary forces, which endorse these antinationalist attitudes.

On this subject, Escobar Betahncourt criticized the Christian Democratic Party's communique supporting the Senate's deeds. He also criticized statements made by opposition legislators, who have said that the Senate's actions do not affect our country's image; they only harm Gen Manuel Antonio Noriega.

Aside from this, the PRD Executive Committee issued a communique to report "a conspiracy by U.S. groups" against Panama, as can be observed in the Senate statement accusing Panama of not effectively repressing drug traffic to the U.S. The PRD "will not accept a distortion of the Torrijist plan, headed by the FDP, under any circumstances," the communique states.

The PRD stated that these attacks are due to the fact that regarding the Central American conflict Panama has not aligned its political concepts with U.S. strategy, and instead has predominantly favored the Contadora Group ideals.

The statement adds that the PRD will struggle to prevent any group, government or nongovernment, from arbitrarily imposing, without regard for the national reality, any economic measure that will hurt producers, public employees, or the people in general. This could generate a violent reaction from our society.

The PRD also stated that it will call on party members to join in the party's reorganization tasks so that the party congress can elect a political group that will be better equipped to confront the traitors.

Condemns U.S. Senate Attacks

PA131721 Panama City MATUTINO in Spanish 13 Apr 87 pp 4, 14

[Text] "They attack us because we have opposed Panama's acceptance and submission to U.S. geopolitical strategy in Central America, which would contradict our foreign policy of self-determination and solidarity with the Central American people, which has been historically expressed through our presence in the Contadora Group."

This was the conclusion reached by the Political Commission of the Democratic Revolutionary Party, PRD, following a broad and thorough analysis of the constant attacks by the U.S. Senate against our country.

A document issued by that commission states that "we feel that those attacks against our national government represent the interests of some reactionary sector in the United States with the intention of weakening our government and its armed forces. The ulterior motive is to divide and isolate our people and its leadership in order to prevent the fulfillment by the year 2000 of the Torrijos-Carter Treaties, which call for the end of civilian and military presence in Panama, as stipulated and agreed."

The document adds that the campaign is aimed at discrediting our international financial center "with the purpose of creating the conditions for its elimination."

The PRD, through its Political Commission, said that "the complicity of certain sectors of the national oligarchy in this conspiracy is notorious."

In its conclusion, the documents states that "we will struggle to unmask both the external and internal reactionary forces, so as to prevent further attempts to destroy the popular victories achieved by our people under Torrijos' leadership..." [ellipses as published]

COLUMNIST URGES MORE U.S. MONEY FOR DRUG FIGHT

PA131901 Panama City MATUTINO in Spanish 13 Apr 87 p 6

["Let the People Judge" column by Ricardo Lince: "A Test for the U.S. Senate"]

[Text] The U.S. Congress' ability to carry out a worldwide struggle against drugs will be tested in the UN-sponsored conference to be held in Vienna in June involves annually the fabulous figure of $300 billion.

In the struggle against drug trafficking, which is more than anything else used as a tool of their hegemonic policy, because compared to the dangerous nature of this scourge, they have allocated a ridiculously pitiful sum to the fight against this huge $300-billion business.

This is especially so when wars of all kinds are, above all, economic in nature. They show the same stinginess in their fight against subversion. While the Soviet Union gives Cuba billions of dollars in support a year, the United States has turned its back on economic support to eliminate the social causes that gave rise to rebellions and to communism in Latin America.

The fight against drugs demands that one get to the bottom of the issue, promoting alternate crops and giving economic support to the peasants who agree to stop planting coca and poppies, which are crops financed by the U.S. underworld in Peru, Colombia, Bolivia, and Ecuador. One must also organize the financing of alterante crops, the establishment of rural industries, and socioeconomic development with more and better schools and hospitals.

The U.S. Congress and Senate have a beautiful opportunity to show the world the capacity and scope of their cooperation in this worldwide struggle against drugs and to allocate the money needed for the campaign to protect the U.S. people and to compensate us for the physical and moral harm caused by the U.S. underworld's violent demand for drugs.

U.S. OFFICERS CITED ON POST-1999 U.S. PRESENCE

PA131445 Panama City DIALOGO SOCIAL in Spanish Mar 87 p 8

[Text] Two top Southern Command officials have stated "off the record" [Preceding three words in English] to ALASEI [Latin American Agency for Special Information Services], that the United States is skeptically awaiting the results of Panama's next presidential election to be held in May 1989, in hopes that it will bring a new, "more pro-United States" Government. The U.S. takes for granted that, with such a government, it will be allowed to extend the presence of its military bases in the country after the year 2000.

Colonels Neil Buttimer and Robert Herrick, director of the Public Affairs Directorate, and director of SWORD (Small Wars Operations Research Directorate) [preceding five words in English], respectively, stated that the U.S. military presence in Panama has to continue after 31 December 1999 (date established by Torrijos-Carter Treaties), and that the Panamanian Government and people should understand that a continued U.S. military presence on isthmian soil is necessary not only for protection of the Canal, but also due to the strategic role that Panama and the interoceanic route play in the Central American conflict.

LIBYAN MISSION LINKED TO TERRORIST OPERATION

PA102010 Panama City LA PRENSA in Spanish 9 Apr 87 p 28a

[From "In a Few Words" column]

[Text] The Venezuelan authorities have just arrested a very dangerous Libyan agent in whose possesion they found proof of a huge terrorist operation directed against the Lesser Antilles. The good, the bad, and the ugly about this is that all paths of the plot led to Panama -- to be more precise, to the Libyan diplomatic mission in our country. It is even claimed the lethal equipment was received in Panama and, I suppose, distributed among the terrorists.

3 CENTRAL AMERICAN COUNTRIES TO BAN PANAMA GOODS

PA110419 San Salvador Canal Doce Television in Spanish 0300 GMT 10 Apr 87

[Text] It was reported in Tegucigalpa today that Honduras, El Salvador, and Guatemala will close their borders to surface transportation of merchandise from Panama. The three countries will regulate the transportation into their countries of goods from countries out of the Central American area. They will announce their decision to Costa Rica and Nicaragua and will ask these countries to take similar measures.

Honduran, Guatemalan, and Salvadoran treasury, monetary, and commercial authorities last night concluded a working meeting at the port of Tela on the Atlantic coast to adopt a plan to combat contraband. Other measures will be taken during a meeting in Guatemala on 21 and 22 May.

COSTA RICA

FRG'S GENSCHER, ARIAS DISCUSS REGIONAL ISSUES

PA110012 San Jose Radio Reloj in Spanish 0100 GMT 10 Apr 87

[Excerpt] [Passage omitted] The honor bestowed upon me by Costa Rica is proof of the special ties of friendship between our two countries, FRG Foreign Minister Hans-Dietrich Genscher has said. He added the people of the FRG are on the side of Costa Rica in its economic development, its products have a fixed place in the German market, and Costa Ricans obtain considerable amounts of foreign exchange year after year from their trade with the FRG. He also said we share the ideals of democracy, freedom, and respect for human rights and Costa Rica may be justly proud of giving the world an example of democracy and freedom. (?The FRG minister added) that respect for human dignity, freedom of the press, free elections, and the hope of achieving social justice are tangible political realities in this country.

After his meeting with the president, FRG Foreign Minister Hans-Dietrich Genscher said the peace plan Costa Rica is sponsoring is the best Central American solution. Genscher said he discussed with President Oscar Arias the relations between the FRG and Costa Rica, which are considered by both officials to be excellent, and mutual financial cooperation, which both countries would like to expand. [Words indistinct] Central American situation [words indistinct] considered to be of great interest.

In his opinion, the peace plan for Central America sponsored by Costa Rica could generate great progress in the region. Genscher added this proposal could be a possibility [words indistinct] for the Contadora action for about a month. He said he would discuss the plan in detail at the end of the month when he meets with the EEC foreign ministers to [words indistinct] the U.S. position. Finally, he expressed his approval of this type of initiative coming from the Central American region.

President Oscar Arias expressed his satisfaction with the FRG foreign minister's categorical mode (?of expression). Hans-Dietrich Genscher offered his services as a champion of that initiative at the upcoming meeting of the EEC because he believes in the plan as an alternative to military confrontation in the area. The president added that they discussed his upcoming trip to Europe and the need to discuss Costa Rican needs [words indistinct] during that tour.

Foreign Minister Rodrigo Madrigal Nieto and Genscher talked for over an hour about the political situation of the Central American region and the evolution of the conflict, as well as the Contadora Group's peace efforts and the scope of the Costa Rican peace proposals.

At the end of the meeting, Madrigal Nieto said the discussion had been highly positive and clarified the FRG Government's opinion regarding the Costa Rica peace proposal for Central America. He said Genscher had reaffirmed his country's support of President Arias Sanchez' peace initiative. [passage omitted]

Rodrigo Madrigal stated that subjects closely linked to bilateral relations between the FRG and Costa Rica had been discussed, as well as technical and financial cooperation programs that have existed between both countries for several years. Madrigal Nieto reiterated that Costa Rica considers Genscher an excellent friend of our country and of the Central American region.

PRESIDENT ARIAS CALLS FOR 'ECONOMIC DEMOCRACY'

PA122210 San Jose LA REPUBLICA in Spanish 5 Apr 87 p 2

[Text] Yesterday, Costa Rican President Oscar Arias made a plea to Costa Ricans to effect changes now.

The president spoke vehemently on occasion of the 20th anniversary of the community development associations. He was clear and categorical: "What we have done in the past is insufficient; we must change."

President Arias continued: "Each day the errors we have made cost more. They must be corrected."

What sort of changes must we make? [unattributed question]

"When we talk of change, we are talking of preserving our peace. When we talk of change, we are talking of having all the benefits of development. When we talk of change, we are talking of fighting poverty. When we talk of change, we are definitely talking of a Costa Rica with equality of opportunities."

Arias stressed: "We know we will not improve opportunities for thousands of our fellow countrymen if we do not a allow greater access to property."

On this subject, Arias stated that Costa Rica "must be a land of proprietors. It must have more entrepreneurs producing wealth in the countryside and cities."

In his vehement call to Costa Ricans of low, middle and high income, President Arias said it is necessary to produce more.

"Costa Ricans, we must produce more and better goods because there is no other way to achieve well-being," he said.

He added: "We must plant more and reap more." The president also listed other changes to be made: Changes to achieve more liberty by strengthening the communities, having faith in Costa Ricans, and distributing political power."

He reminded Costa Ricans of the need to "reestablish the commitment to justice," and "called for responsible change." On this subject, he appealed to their "love for the fatherland, urging them to embark on crusades that will set aside political-electoral banners."

Arias also spoke of "the threats that are looming over us." He said he knew "there were problems in facing these challenges. We all have problems."

At this point, Arias reaffirmed "these are difficult times. There are persistent uncertainties." The president did not specify the threats or uncertainties.

He stated: "The faith I have in Costa Rica enables me to reaffirm today that the bigger the obstacles, the prouder we will feel when we leave behind the problems that we will surmount together."

Arias stressed: "The political democracy we are so proud of can survive any threat only if we are able to establish a solid economic democracy in Costa Rica."

He added: "Today, constructing the democracy our children will enjoy, requires courage, vision, and imagination."

In conclusion, Arias stated the need for an "economic democracy, as we now have a political democracy." Achieving this economic democracy, he said, "is the most important challenge the country faces. It is a challenge all Costa Ricans are going to meet together." Arias said "it is a challenge we will overcome."

CENTRAL BANK PRESIDENT WITHDRAWS RESIGNATION

PA100144 Hamburg DPA in Spanish 2123 GMT 9 Apr 87

[Text] San Jose, 9 Apr (DPA) -- Eduardo Lizano today withdrew the resignation he had tendered as president of the Central Bank of Costa Rica. Lizano said "I have reconsidered my decision following a request received from President Oscar Arias."

Lizano resigned 2 weeks ago and Carlos Espinach, a young businessman, was appointed to replace him, but Lizano reassumed his post today. President Arias announced Lizano's return at the Presidential House noting "the country is regaining the services of an excellent official."

Lizano has been president of the Central Bank of Costa Rica for 3 years and has been quite successful in efforts with the World Bank, the IMF, the IDB, and commercial banks.

AGRICULTURE MINISTER TENDERS RESIGNATION

PA092043 Hamburg DPA in Spanish 2007 GMT 9 Apr 87

[Text] San Jose, 9 Apr (DPA) -- Costa Rican Agriculture Minister Alberto Esquivel Volio has resigned his post because of "differences with the government's economic policy." Esquivel, who assumed the agricultural post on 8 May 1986, at the beginning of President Oscar Arias' government, said: "I wish to give complete freedom to the government to dictate economic guidelines." Esquivel had differences with the government's economic policy before.

Several days ago Esquivel made statements criticizing economists and ridiculing them as "beings who think themselves almighty, and who make decisions while sipping from a cup of coffee without knowing the core of the problems." He also said "economists talk about problems, but they never do the proper things to solve them."

Criticisms of Eduardo Lizano, president of the Central Bank of Costa Rica and an economist, were interpreted as criticisms of President Arias, an economist who received his degree in Great Britain, and Vice President Jorge Manuel Dengo, who worked for the IDB for 20 years.

EL SALVADOR

FDR'S ZAMORA COMMENTS ON CURRENT SITUATION

PA131434 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 12 Apr 87

[Interview with FDR Vice President Ruben Zamora by unidentified reporter; date and place not given -- recorded]

[Text] [Reporter] Dr Zamora, what do you think about the country's current military situation?

[Zamora] Both the Duarte regime and U.S. Department of State, through their propaganda, have tried to present an image, both here and abroad, of a weakened struggle of the Salvadoran people and an advancing government army. I think recent events, particularly military events, mentioned in November, clearly shows this propaganda of both the Duarte and U.S. Governments is false. Facts show that despite the U.S. commitment in El Salvador -- the United States spends more than $2 million in the country daily -- they cannot win this war. Quite the opposite is true; they are losing it. Otherwise, how could we explain the ridiculous position of the military commander at Chalatenango who, 2 days prior to the attack on El Paraiso garrison, told the press that the FMLN forces had been scattered completely in this department. Two days later he discovered that one of the largest concentrations of FMLN troops succeeded not only in inflicting a crushing defeat on government forces, but immobilizing them, because the attack on El Paraiso was truly a nationwide maneuver, which included an attack on the Chalatenango headquarters, Cerro Campana in Cuscatlan Department, and many operations in San Vicente and Usulutan Departments. We see these as facts demonstrating that the Army is not winning the war. Rather, the government Army is losing the war, despite all the U.S. support.

I truly believe we should be seeing in El Salvador the political and military wearing out the counterinsurgency regime -- Duarte's regime -- is suffering. They are no longer advancing. Quite the contrary, they are more and more the losers. So far in 1987, Duarte's government is practically an isolated government [words indistinct] national sectors. This cannot be called advancement. Quite the contrary, [words indistinct]. I think the Salvadoran people are making headway in El Salvador; they are on the offensive. I also think it is the forces at the service of foreign interests who are falling back, who are already on the defensive -- that is, the Army, the PDC forces, and the traditional forces of the economic interests in this country.

[Reporter] Companero Zamora, what is the outlook for our people at the international level?

[Zamora] I think the struggle of our people has a bright outlook at the international level, although ours is a very small country with few people. I think it is necessary to emphasize the very important facts such as the UN General Assembly's resolution that condemned the violation of human rights perpetrated by the Duarte government and Army. This resolution was approved by a large majority of the international community. Only countries such as El Salvador and the dictatorships of Paraguay and Chile opposed this resolution. I think this shows how the Duarte government (?is looked upon) at the international level. Shortly after the UN resolution, there was an important meeting of the Nonaligned Movement in Guyana, where again there was a resolution on the Salvadoran case clearly condemning U.S. interference in our affairs and strongly appealing to the Salvadoran Government to resume the negotiation dialogue it interrupted. I believe these two facts are important because they express the opinion of the international community.

FMLN and FDR representatives have been received in the past few months in 19 countries, both in Latin America and Europe. For example, the Colombian foreign minister recently met with our representatives. The Peruvian foreign minister also met with our fronts [words indistinct] most of the foreign ministries of these countries. In all of them we have found two essential truths: First, the desire of the international community for a political negotiated solution in El Salvador between the belligerent sides; second, an enormous concern by Latin American governments over the negative role the Salvadoran Government has been playing in the peace efforts the Contadora and Support Groups have been making throughout Central America. This is a common opinion among all Latin American governments [words indistinct] the Contadora effort through two governments -- Duarte's in El Salvador and Azcona's in Honduras -- [words indistinct] the U.S. policy in the area. This reflects the concern of all the governments of our continent. On the international level, our people's struggle is not only recognized, but deeply admired because whether or not the fronts agree on all the political postures, there is something important to highlight.

In Latin America, because of the aggressiveness of the Reagan policy against our people, a Latin Americanist feeling has emerged. We Latin Americans must unite and defend ourselves against U.S. political, economic, and military aggression. This feeling is deeply shared by governments of the Latin American Continent and our fronts. [Words indistinct]. The Duarte government is isolated from all Latin American governments, because it is perceived as an extension of the Reagan administration. It is outside the Latin American consensus by which the Latin Americans will resolve our problems. That is why our fronts have space for recognition and interlocution with a great variety of Latin American and European political and social forces.

CLANDESTINE ON TRANSPORT STOPPAGE EFFECTIVENESS

PA110053 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2300 GMT 9 Apr 87

[Text] We have more information on the effectiveness of the successful nationwide transportation stoppage. The roads in the eastern part of the country are deserted. Traffic toward San Miguel is 90 percent paralyzed. Traffic toward La Union and on the coastal highway is also nonexistent. Blandon's convoy and his walking plan [plan caminante] are useless in confronting guerrilla and militia activities.

Attention, Salvadoran nation, we call on you to collaborate with our militias in their sabotage activities, because the national transportation stoppage repudiates Duartism's forced conscription that sends youths to their death. All Salvadoran youths, repudiate forced conscription. The national transportation stoppage is a victory for all Salvadoran people. Attention Salvadoran youths, we repeat our call to collaborate with our militias in their sabotage activities, because the national transportation stoppage repudiates Duartism's forced conscription that sends youths to their death.

'Walking Plan' Deemed Success

PA122222 San Salvador LA PRENSA GRAFICA in Spanish 11 Apr 87 p 4

[Text] The Armed Forces' convoy to counteract the terrorist ban on surface transportation, particularly in the eastern part of the country, is considered to have had satisfactory results.

This assessment was made by Coprefa spokesmen, who have been closely following events that took place in connection with the ban, as well as other events within the framework of the current situation in the country.

The subversives planned to do the greatest possible damage to commercial and private vehicles, but the success of the "Walking and Convoy Operation" [Operacion Caminante y Convoy] reduced the number of terrorist attacks.

Some 10 commerical and private vehicles were attacked by terrorist groups in different parts of the country; the only area free of attacks was the Pan American Highway to the east.

It was also learned that a passenger on a bus was killed by terrorist gunfire. The Coprefa spokesmen note that organizations which claim to be protectors of human rights have not criticized these terrorist groups.

Security was increased primarily in the eastern sector where the terrorist groups most often attack public services such as transportation, electrical energy, telephone and telegraph services, etc.

Yesterday, the 3d day of the ban, was the day of greatest activity by transporters and consumers. They decided to use the highways and disregard the extremist threats.

It was rumored yesterday that last night the FMLN-FDR subversives would end the transportation stoppage they began on Wednesday.

The authorities have reported attacks on 10 vehicles in the western [as published] sector.

It was stated that whenever the FMLN-FDR groups attempt a stoppage in the future, they will come up against greater obstacles prepared by the Armed Forces.

According to the military spokesmen, the success of the "Walking and Convoy Operation" will be the model for actions to forestall terrorist attacks on vehicles.

Armed clashes were reported in Tierra Blanca, in areas close to the Cabanas and Chalatenango borders, in the area around San Antonio Los Ranchos, in La Chorrera del Guayabo, and in other parts of the country. The results of these armed attacks, which took place in the past few hours just before the beginning of Easter week, are unknown.

There has been no talk of a tacit truce in the fighting, but church authorities believe there will have to be one, as this is the time when Christians recall the life, suffering, and death of Jesus Christ.

Despite the possibility of a truce, there is also a possibility that armed clashes could take place anywhere in the national territory.

The Armed Forces cannot agree to truces. The Constitution neither prescribes nor permits this, because, according to military spokesmen, it is the duty of the Armed Forces to safeguard the security of inhabitants and the sovereignty of the nation.

Transport Stoppage Suspended

PA110117 (Clandestine) Radio Venceremos in Spanish to El Salvador 0050 GMT 11 Apr 87

[Text] The FMLN General Command is announcing the suspension of the transportation stoppage that began on Wednesday, 8 April. The order goes into effect midnight Friday, 10 April. The FMLN is suspending the transportation stoppage. All vehicles are allowed to transit major and access roads all over the country.

ARCHBISHOP RIVERA CALLS FOR HOLY WEEK TRUCE

PA131725 Hamburg DPA in Spanish 1958 GMT 12 Apr 87

[Excerpt] San Salvador, 12 Apr (DPA) -- The Archbishop of San Salvador requested on Palm Sunday that the parties in conflict in El Salvador decrease their warlike actions "at least during Holy Week."

After Sunday's mass, Msgr Arturo Rivery y Damas told the newsmen "today we no longer seek a truce, because experience has shown that one thing is promised in public, but something else actually takes place." That is why the church has decided to make a general appeal to see if the parties in conflict accept it. However, "we cannot guarantee" any truces.

Likewise, he criticized the National Action Movement (MAN), a group that this week criticized the Army for the blow it received when the guerrillas attacked the 4th Infantry Brigade and left dozens of dead and wounded. MAN said the Army should control, harass, and annihilate the enemy, according to the tactics of the great strategists of history.

The archbishop said these "phantom groups" of the ultraright "are in the habit of hitting and running," because nobody pays attention to them and their warlike theories that seek a military solution to the war in this country.

The archbishop said that just as he had forecast, following the recent FMLN attack against the El Paraiso Garrison, belligerent actions intensified during this week. The prelate did not disclose the number of dead and wounded. [passage omitted]

FMLN COMMAND SENTENCES COLONEL MONTANO TO DEATH

PA130451 San Salvador EL MUNDO in Spanish 10 Apr 87 p 32

[Excerpt] San Vicente, 10 Apr -- The command of the Anastasio Aquino Paracentral Front has announced that Colonel Orlando Inocente Montano has been sentenced to death by the FMLN. Leaflets the guerrillas left yesterday at a place known as Las Cuevas, in San Cayetano Istepeque, also announced that the installations of the Armed Forces Engineers' Military Detachment in Zacatecoluca, known by its acronym CIIFA, will be attacked and destroyed. Col Montano is the commander of this detachment.

The leaflets claim that "doomsday is coming for Col Montano and CIIFA, just as it came for CMEFA [Armed Forces Military Training Center] in La Union, and the 4th Infantry Brigade in El Paraiso, Chalatenango Department, which we have punished twice." The leaflets of the Anastasio Aquino Paracentral Front and the FMLN also stated: "The people have not forgotten the crimes committed by Col Montano, crimes such as murder, arrests, and tortures committed against innocent citizens, and they have not forgotten the kidnappings either."

The guerrillas state in their leaflets the next objective to be attacked and destroyed will be CIIFA. They say "doomsday has already come for Captain Fuentes, and now it is Col Montano's turn."

Yesterday at 0500, extremists entered the town of Mercedes La Ceiba, La Paz Department, and while some destroyed the equipment of ANTEL [National Administration for Telecommunications], others took the town's mayor, Victoriano Martinez Vasquez; and the local commander, Sergeant Carlos Raul Payes, out of their homes to an unknown destination. [passage omitted]

REBELS CLAIM ARMY JOINED 'SOLID SHIELD' DRILLS

PA131444 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 12 Apr 87

[Text] Attention to all our people and national and international press: The participation of Duarte's Army in the "Solid Shield" military maneuvers has been confirmed.

Reports that arrived to Radio Vencermos have confirmed the participation of forces of the Salvadoran Armed Forces Paratroopers Battalion in the "Solid Shield" maneuvers the Honduran and U.S. Armies are conducting. These maneuvers are being conducted on Honduran territory and parts of Salvadoran territory bordering Honduras in northern La Union.

Forces of the Salvadoran Armed Forces Paratroopers Battalion are conducting helicopter landing operations on (La Flecha), (Meseta), and Colorado Hills in northern La Union as part of the maneuvers. The Paratroopers Battalion has conducted up to three landings per day in those border areas, terrorizing the inhabitants.

We call the attention of all our people and the national and international press because in upcoming broadcasts we will give more information on Duarte's Army's participation in the "Solid Shield" maneuvers.

DETACHMENT COMMANDER SAYS REBELS FLED TO HONDURAS

PA101922 San Salvador DIARIO LATINO in Spanish 8 Apr 87 p 2

[Text] Colonel Natividad de Jesus Caceres, commander of Military Detachment No 1 with headquarters in Chalatenango, today said the rebel groups who operate in that department have "gone to Honduras" after the Army chased them.

In a telephone interview with DIARIO LATINO, Col Caceres said the insurgents have mobile camps and a permanent secret hospital in a sector of Lempira Department in Honduras.

With the rebel attack on the 4th Infantry Brigade, headquartered in this same department and a few kilometers from the headquarters of Military Detachment No 1 -- that attack left more than 70 soldiers and a U.S. adviser dead and more than 30 troops wounded -- the Army began search operations in northeast Chalatenango Department.

Caceres did not say whether the insurgents who were chased by combined Army units before escaping to Honduras are the same who attacked and destroyed the 4th Brigade installations. However, he did stress that his units are keeping the border under control.

The military officer said the possibilty of a well-aimed attack by Honduran troops on guerrilla camps is not ruled out because "the top commands of the two armies, at some meeting, have probably commented on that situation, which is not new." "In addition," he added, "Honduran military intelligence is very effective and must be waiting for the right moment to give a single, final blow," he stressed.

GUATEMALA

MEXICO, GUATEMALA REJECT SUPPORT FOR ARMED GROUPS

PA122024 Mexico City Red Nacional 13 Imevision Television in Spanish 0300 GMT 11 Apr 87

[Text] At a joint news conference, Presidents Miguel de la Madrid and Vinicio Cerezo Arevalo maintained that Mexico and Guatemala reject any act supporting armed groups that want to destabilize legally established governments. Here is a report by Humberto Mares, a special "7 Days" reporter from Guatemala City:

[Begin recording] [Mares] At a news conference held with Guatemalan President Cerezo Arevalo shortly before De la Madrid's departure for Mexico, President De la Madrid said Mexico will never permit its territory to be used to support subversive movements in Central American nations.

[De la Madrid] Mexico is a country that is very protective of its independence. We are very nationalistic, and have the same respect for others that we demand for ourselves, especially regarding the Central American countries. We think each Central American nation must build its own destiny and assume its own responsibility. In Mexico, we vowed not to permit Mexican support for subversive movements in Central America whether these movements have our same ideals or not. Mexico has built its political institutions and formed its ideology in accordance with its history and principles.

[Mares] Guatemalan President Cerezo said his country agrees with Mexico completely and the idea is to strengthen the institutional processes of each country. Mexico and Guatemala condemed any act supporting armed groups that want to destabilize legally established governments.

De la Madrid explained that this position is applicable to any continent, not only Latin America. He said Mexico seeks to promote a climate of diplomatic negotiations in Central America where the protagonists will only be the Central American countries. Cerezo gave his opinion of the proposal presented by Costa Rican President Oscar Arias:

[Cerezo] We feel that a peace proposal must be discussed by all, and there presently is a consensus among the Central American presidents who think it should be that way.

[Mares] Later the Mexican president said Guatemala's initiatives in favor of a Central American peace, such as the Esquipulas meeting and the establishment of a Latin American parliament, offer the possibility of a negotiated agreement. The two leaders agreed the bilateral relations between Mexico and Guatemala are based on friendship and mutual respect that has allowed them to reach agreements benefiting the two countries. [end recording]

De La Madrid Speaks

PA101833 Guatemala City Cadena de Emisoras Unidas in Spanish 2338 GMT 8 Apr 87

[Speech by Mexican President Miguel de la Madrid on 8 April in Guatemala City at a ceremony bestowing upon him the keys to the city and other honors -- recorded]

[Text] Honorable Mayor (Arzu), distinguished Mrs (Arzu), members of Guatemala City's Municipal Council, former mayors, Honorable Ambassador [to Mexico] Julio Cesar Mendez Montenegro, members of the press, ladies and gentlemen:

I give thanks on behalf of my wife and my retinue for the very cordial and warm welcome we have received from the Guatemalan people, the government, and the city's administration. I also express thanks on behalf of the Mexican people, because I know this honor that is being rendered to us is further evidence of the old, firm, and enduring bonds of friendship linking our two peoples. We are brotherly peoples in the metaphoric sense because we have the same old Mayan roots and the old roots of our historical evolution, and also because we are surprisingly analogous, surprisingly alike.

I have been moved listening to the sweet and melodious music of the Guatemalan marimbas and by the fact that these marimbas have played the anthems of our two countries. It is moving because we Mexicans are fans of this marvelous musical instrument. This is further evidence of the cultural and artistic similarities between our two peoples. In addition to these external signs, I believe there are more profound values that unite us. We know very well that Guatemala has a strong and authentic love for liberty and democracy. It is not by chance the quetzal, a bird that cannot live in captivity, appears in Guatemala's national symbols. Liberty is a deeply-rooted value of our public culture, a value that our peoples have always sought, and for which we have always struggled and continue to struggle throughout our history.

Therefore, for us Mexicans it is encouraging and a matter of great satisfaction to see the Guatemalan people continue to be faithful to those political values and have entered a new phase in their history, where the values of the republic, of its national independence, liberty and democracy are the guidelines for the joint efforts of its society.

In addition, there are traces and signs in Guatemala of a value that Mexicans deeply appreciate: the value of the Mestizos. Here in Guatemala, as in Mexico, Carlos Merida has left his mark, as he faithfully expressed in his murals and artistic work the value of the merging of two cultures, extolling the indigenous cultures of our territories.

I believe the mayor was not exaggerating when he asked us not only to feel at home, but to be at home. We feel that way, and we know that Guatemalans also feel at home when they visit Mexico. That is how we want it to be, and more so each day.

We are historical friends, and we are brothers of the same race and culture. However, I believe our friendship can always be strengthened based on mutual respect for our national entities, and for the dignity of our two peoples. I must say to the mayor with great pleasure that Mexico City will always be happy to share its experience -- both good and bad -- in the great process of urbanization that characterizes modern times. We Mexicans are aware our national experience cannot be automatically transferred to other countries, because Mexicans have never adopted political, social, or economic models from other countries in an illogical imitation. Hence, within this realistic spirit, we place at the disposition of our Guatemalan brothers, particularly of the municipal authorities, whatever you deem useful. We do so with great pleasure. As the person in charge of the Federal District government according to the Constitution, I cordially invite the mayor, or whomever he appoints, to visit us and determine what can be useful to you.

It is a great pleasure for me to be here at Guatemala City's Municipal Council. I am very pleased and moved. Guatemalan brothers: please receive cordial, affectionate and respectful greetings from the Mexican people. Thank you very much. [applause]

Foreign Secretary Speaks

PA121244 Mexico City EXCELSIOR in Spanish 8 Apr 87 pp 1a, 16a, 22a

[By Raymundo Riva Palacio and Salvador Martinez]

[Excerpts] Guatemala City, 7 Apr -- Mexican Foreign Secretary Bernardo Sepulveda stated here today that at this historic moment, the Central American countries must defeat intransigence; the promotion, because of interests, of real and artificial differences; and all actions that confront sovereign decisions.

He also cautioned: "We have to be alert to prevent attacks against liberty on behalf of liberty, attacks on democracy for the sake of democracy, and the weakening of genuinely democratic forces that exist in the area and unrenounceable principles such as nonintervention and the free self-determination of the people." [sentence as published]

The official spoke this morning at the dedication of the first meeting of the Mexico-Guatemala Binational Commission, a meeting that is being attended by seven Mexican secretaries of state and their Guatemalan counterparts, who worked throughout the day to draft 17 agreements that will be signed on Friday by Presidents Miguel de la Madrid and Vinicio Cerezo.

Guatemalan Foreign Minister Mario Quinonez also spoke at the ceremony held in the banquet room of the Presidential Palace. He said rhetoric should be set aside and that peace, a better future, and peaceful coexistence can be reached only when the principle of self-determination stops being just words.

Some Mexican officials denied this evening that President Miguel de la Madrid's visit to Guatemala represents a "political payoff" for the support the Vinicio Cerezo government has given to the Contadora Group; they noted cordial and friendly relations between the two countries benefit the two countries.

Mexican officials who asked not to be identified said because of its position on the pacification effort in Central America, Guatemala appears as a "valid interlocutor of Contadora."

Meanwhile, the decision of the Mexican and Guatemalan Governments to take advantage of the political, economic, and social relations that exist between the two countries materialized today with the establishment of programs, treaties, and projects prepared by a binational commission.

Seven Mexican secretaries, headed by Secretary of State Bernardo Sepulveda; and as many Guatemalan ministers, headed by Foreign Minister Quinonez, met separately to discuss specific subjects and reach specific agreements more quickly. [passage omitted]

The secretaries and ministers established the basis for the presidents of Mexico and Guatemala to sign 17 bilateral agreements on Friday. [passage omitted]

NICARAGUA

PRESIDENT ORTEGA VIEWS ECONOMIC SITUATION

PA072310 Managua Domestic Service in Spanish 2020 GMT 7 Apr 87

[Speech by President Daniel Ortega Saavedra at the conclusion of the "Face the People" program held at the Presidential Palace in Managua -- live]

[Text] We invited the ministers to participate and answer some specific questions, but time has run out. When we invited the trade union representatives of the CAUS [Labor Action and Unity Federation], the Workers Front, and the [words indistinct] to this meeting, we invited them to talk about very specific topics affecting all Nicaraguans, particularly the workers. The problem is that in this case, their behavior -- particularly the representatives of the CAUS and the Workers Front -- is similar to the behavior of the COSEP [Higher Council of Private Enterprise] representatives when we invite them to this type of meeting. We want to discuss all types of specific problems related to production. We are not here to discuss the revolutionary government. We are not here to discuss the government's program. One of the comrades [words indistinct] to discuss the government's program. First, they would have to be a member of the government to think of a government program. [applause]

In other words, the call we have made to the various sectors -- in this case, the labor sectors, the Nicaraguan productive forces -- has not been understood in a truly patriotic manner. We did not invite the COSEP to this meeting, thinking the presence of only the trade unions that are identified with revolutionary stands would make it easier to have a discussion in line with the country's situation.

Furthermore, there was a lack of respect for the comrades meeting here, even for the Nicaraguan people. As it turns out now, it seems some people think Somoza was ousted by the Yankees and not by the Nicaraguan people -- just as the Yankees ousted Marcos and Duvalier. That is what the Workers Front representative told us; he [words indistinct] that is was not the Nicaraguan people but the Yankees. Then what about the dead? What about the struggle? Naturally, it is obvious that he [the Workers Front representative] did not participate in the struggle, and that is why he thinks the Yankees ousted Somoza. [applause]

We have identified many problems, and various solutions have been suggested by the speakers. There is a lack of raw materials, spare parts, and tools. These are the most serious problems the revolution faces. Although it is true we cannot rule out some organizational defects that might exist and do exist, it is our duty to cope with these organizational defects and to deal with this belligerent attitude of the workers. The truth is that we would be facing the problems of raw materials, spare parts, tools, and foreign currency even if they were acting in a most [word indistinct] manner, even if we were acting in a better organizational manner. We would have many problems, such as a lack of foreign currency, spare parts, raw materials, other inputs, and so forth.

It is a difficult situation to understand. On one hand, it is accepted that there is a difficult international economic situation. On the other hand, some do not want to admit the Nicaraguan situation. Nicaragua is the victim of the international situation. It is also the target of U.S. military aggression.

I am going to mention two elements currently affecting the development of the 1987 plan. One of them is the drop in coffee prices. This affects Nicaragua, Central America, and all coffee-producing countries throughout the world. Our economic plan was based on better coffee prices. We did not think the price of coffee would increase much more than it has already increased, but we didn't think the price would drop as much as it did in such a short period of time. We were concerned, because since this issue of prices does not depend on us but on the prices established by the consumer countries -- in this case, the coffee-consumer countries -- we had already alerted the Foreign Trade Ministry to sell our 1986-87 harvest at the prices in effect at that time.

This allowed us to place a good portion -- more than 50 percent -- of our coffee at favorable prices.

Although we want to continue placing coffee at a favorable price, buyers are watching and waiting for a drop in coffee prices. So it is not as simple as picking the coffee and then just waiting for the buyers to come running to buy it.

The situation in other Central American countries is more dramatic because they speculated with prices, expecting them to go up. They have been left holding 80 or 90 percent of their coffee. Now they find themselves forced to place their coffee at the new market price. The price of a quintal of coffee has been fluctuating between a low of $98 and a high of $103 or $105.

Right there we must consider a deficit. We have a reduction in the estimated foreign exchange income we expected the country to have in 1987, for the 1987-1988 agricultural cycle, and this only as a result of the drop in coffee prices.

We have this problem. This is a problem outside our control. We have no control over coffee prices, but we do have control over our decision to struggle for the stabilization of coffee prices. This is why we held a meeting among coffee-producing countries to seek a way to stabilize coffee prices. This meeting took place in Managua.

The meeting in London -- where coffee prices are established -- then took place, and we were still not able to stabilize prices. There was no agreement. There are big interests. The U.S. position of sabotaging stabilization efforts is clear. The position is directly harming coffee-producing countries.

What is the other very important element we have said will be a source of danger in 1987? The aggression.

We are facing a new type of aggression. Faced with the mercenary forces' inability to face our troops and the Nicaraguan people, the U.S. Government, through the CIA, has set in motion an economic war plan against our country.

The world already knows about this. We had somewhat ignored this, however, because we have become so accustomed to confrontations, to war, to attacks by the mercenary forces, and to terrorist activities that we had not become aware of this new type of activity by the mercenary forces.

This activity is clearly being directed by the CIA. The CIA has publicly admitted its role. The U.S. Government has publicly admitted that the CIA is directing these operations, and in so doing, it is not respecting international laws.

This is a purely terrorist activity by the U.S. Government. This is a terrorist attitude by the U.S. President.

We are facing a situation where the CIA, the Pentagon, and the U.S. Government have prepared a complete plan for the mercenary forces. We have captured some prisoners who carried out several operations that involved, all of them, economic targets. They have come to hit the energy system, production centers, bridges, transportation -- anything that means hurting the economy.

Why is Reagan resorting to this strategy? Because he has been losing the war he mounted with the mercenary forces when he tried to have them confront their people, when he tried to seize towns and things like that.

To be able to say his policy has been efficient and effective, he is now reorienting the activities of the mercenary forces, and he has mounted a stronger military encirclement around our country. He has done this with his military maneuvers and with all the forces he has placed around Nicaragua to improve the morale of the mercenary forces while they carry out their terrorist activities, as well as to have the U.S. forces ready to launch a direct aggression against our country if the Nicaraguan people get confused and lose their morale.

They have lost the war militarily, they have been losing it. Now they want to win the war by wearing us down economically. They want to further wear down the Nicaraguan economy.

If we don't fully realize the situation in the country, if the workers' leaders are not clear on this, then we will not be able to properly confront Reagan's policies, we will get confused, and we will get mixed up.

For ideological and political reasons we have our differences with COSEP, CAUS, and the Labor Front. We have our differences.

However, we asked you to attend this meeting under the assumption that you understand the country's critical situation and above all the tension that has arisen. The fact is Reagan is running out of time; he only has 2 years left. Throughout these years Reagan has been waging a war against Nicaragua and trying to show the world he destroyed the Nicaraguan revolution. However, he has not achieved his goal in 6 consecutive years. Consequently, Reagan only has 2 years left.

Reagan is now carrying out desperate actions. Reagan has now fallen so low that he is openly carrying out terrorist acts. He is openly sponsoring these actions and supporting these actions, deploying his military forces in this new military effort against Nicaragua. Consequently, what is Reagan's goal? He wants to undermine our economy. Why? To demoralize the people. Sure, once the people are demoralized... [changes thought] if we are going to work under the belief that the people need constant supplies to work, if we are going to think that all the population must be given eggs and chickens so no one surrenders, then the revolution would be lost and everyone would have surrendered.

This proves we lack unity between the political speeches and the workers' actions. We must first achieve unity in the country's leadership; in other words, between the government and state apparatus and the workers leadership, because these represent the country's leadership. We must achieve unity, and once we achieve this unity we will be better equipped to counter the situation. We are fully convinced we have not achieved unity; that is why we are meeting: to try to identify the main problems at this phase of the 1987 economic plan.

We did not come here to talk about military plans because the military plans for confronting the mercenary forces continue. We came here to talk about economic plans. This is the other war against U.S. imperialism we must win. Consequently, it is clear that we lack a unity of views. One day we say one thing and explain a specific measure, and shortly afterward we have to change the measure. However, there is no acceptable explanation for this. This naturally creates confusion, uncertainty, and problems for the labor leader who has to explain why the measure was enforced. Since we have communication problems, these meetings or assemblies we hold at every level are very important. It is necessary to hold these assemblies at every level. We must hold the assemblies in different production sectors.

If we ever manage to correlate our speeches with our actions, then we will obviously have the advantage of a political and ideological coherence or unity to counter and resist U.S. imperialism's military and economic actions. We also said here that we lacked raw materials, spare parts, tools, and foreign currency. We also talked about problems in supplying the cafeterias and workers on an individual basis; this includes the commissaries and payments in kind.

Referring to the first point, the low supply of materials and lack of raw materials, spare parts, tools, and foreign currency, which is a critical point, the plan foresees we will have serious supply problems throughout this period. However, it does not mean we will remain idle. We must seek ways to achieve internal organization so the few resources we have available may be used efficiently. We must also intensify our efforts. We were talking about rice and the fact it has not been taken out of the production areas to the processing areas due to lack of transportation. That is not a transportation problem; it is an organizational problem, because if we had exerted ourselves we would have found a way to get transportation and bring that rice to the processing areas.

We have faced similar problems in the past, and whenever we exerted ourselves the demands for transportation to bring out certain products were met, and the products are brought out. These operations are possible in case of an emergency, and everyone helps to bring out the products. Consequently, these are organizational and operational problems, and, we insist, much depends on management, on the government institutions, and on the labor unions' belligerent actions if we want to make optimum use of the scant resources available at a given enterprise.

It is not true, either, that all of the enterprises are (?equally) undersupplied. This situation is more noticeable in some enterprises but not in others that are performing well. I gave you the example of the cement plant. Like the cement plant, there are other enterprises that are working well. However, we do not have a sizeable number of enterprises where we run the risk of labor indiscipline and a decline in the workers' morale when raw materials are lacking. This is combined with the energy shortage factor.

We have infrastructure problems insofar as energy is concerned. We do have these problems. Besides, to this must be added our enemies' actions. The CIA is working to harm the country's energy. This is very clear. They have provoked explosions that have left some regions without energy for several days. These terrorist activities by Reagan are also affecting Costa Rica and Panama, because there is an interconnection with lines that come from Honduras, and Honduras supplies energy to Panama, Costa Rica, and once in a while to Nicaragua. These lines go through Nicaragua. When they blow up a power tower here they are also affecting the supply of energy in Costa Rica and Panama. This causes serious problems in Panama, where they have had to ration energy because of the destruction of these towers.

What can we do about the supply of raw materials? What we can do is to make more efforts internationally. We do not produce raw materials so we have to import them, but we cannot import them by purchasing them with money because we do not have money. We have to resort to credit and seeking donations. We have to seek international cooperation. We are indeed making these efforts and we will continue making them. It depends on the efforts of the institutions, management, union leaders, and the working class whether a factory or a plant can operate at maximum capacity with what little resources are available. It is up to us to be creative and think of ways to keep production from disintegrating in a plant or factory.

When there are organizational problems like this we have to look and see what mistakes we may be making because it may be that a missing spare part in a seriously affected plant -- and this has happened -- may be hidden out there in Corinto [port]. Therefore, more efforts and watchfulness are required.

In the guidelines of the 1987 plan, which is already being implemented, we mentioned the need to incorporate workers more effectively into enterprise management. When we talk about the incorporation of workers into enterprise management we refer to unity among all workers. We are not going to say that an engineer is not a worker. An engineer is a highly qualified worker, like a lathe operator, who has a specific qualification. A masonry leader [oficial de albanileria] also have a given qualification.

We would not say that all workers are exactly alike however, because we will not fall into a demagogic or egalitarian position. In work there are moral and economic incentives. A man's capacity and productivity are also measures. Otherwise nobody would care enough to develop his capacity. A man who did not care to develop his abilities would earn the same as the one that does care to receive training and gain some technical knowledge.

They are all workers, but what kind of workers are they? The administrator, the engineer, the technician, the comrades rendering a service, and the comrades who have various qualifications are all workers of the enterprise. What we have to develop is unity among the enterprise management and all of its workers. This way the rank and file will be aware of the situation of the enterprise and will exert themselves to keep the enterprise operating under difficult conditions. When the workers are not aware of the situation they begin speculating. They say: The one responsible is the administrator; the ones responsible are the technicians, or the engineers. Why? Because they are sidelined from efforts to which they have to contribute and to which they must become highly committed. They have to be aware of the situation.

This is a topic that must be discussed carefully. The political will of the revolution and of the revolutionary government must be discussed. The fact that there must be unity in enterprise management must be effectively conveyed and implemented. It is not that a union leader will replace the manager [words indistinct]. What this means is that workers must first learn about the reality of the enterprise, what they are working with, what resources they are operating with, what the difficulties and problems are, what the possibilities are, and how technicians and workers be treated. The working class must understand this. It must assume the efforts of the enterprise as its own. It must be convinced that it is necessary to pay a higher salary to a technician or engineer because production would be affected without a technician or engineer. The working class must be convinced that it is necessary to increase productivity because there are no magic economic formulas to solve this problem. Productivity is [words indistinct] enduring hunger.

There are countries where workers can produce by working only 5 days a week. These are highly industrialized countries where workers work 5 days a week, eat very well, and earn a very good salary. These are countries where production is so abundant the peasants must be paid to stop producing. They are paid not to produce because there is overproduction. These are immensely wealthy countries. This is not Nicaragua's reality. Even in immensely rich countries, not to speak of wealthy European countries, which suffered the rigors of war, workers in those nations had to start their activities in very difficult conditions after the war. They had to work with more limitations and especially with hunger. There are revolutionary countries which have achieved an impressively high technological development, such as the DPRK and the Soviet Union, which waged war against fascism. How did they overcome the terrible situation brought about by war? They suffered hunger, and people starved to death. During the terrible sieges, like Stalingrad, shoes were nowhere to be found because the people ate the leather. There was no food for the people. People literally starved to death. We have not reached this stage yet, nor do we think we will. We will not come out with a demagogical speech, while we starve and have no clothing to cover ourselves. We will begin to find our how many people go barefoot, how many people have no clothes. In the midst of the crisis and the war, we do not present information about the hunger and misery other people suffer. They suffer because of exploitation and backwardness without waging war as we are currently doing here. It is true that the situation is difficult. Let's consider supply problems. We have a clear economic policy. We are convinced the economic problem cannot be solved by eliminating private producers. Quite the contrary, these problems just get worse. So we must not try to eliminate private producers. We must face the economic problems by seeking ways to organize and discipline private producers so what they produce can reach the population through a safe channel. This is our proposal and our struggle, which we have been waging with our economic policy since 1985. Such an economic policy has not undergone great changes, only some adjustments and modifications. We have applied these since 1985. The crisis has not appeared recently. It has handed down to us. We did not find this country wallowing in abundance when we assumed office. Had this country been experiencing abundance, a revolution would never have occurred here. If the people had not had labor and organization problems, if the people had eaten well in the times of Somozo, there would never have been a revolution here. Those problems existed before the revolution triumphed. We will have to stress this. Some have said we are now finding out there is an economic crisis. We found out there was an economic crisis when the FSLN was organized in the sixties. We discovered there was an economic crisis, a social crisis, a political crisis, imperialist domination, and all this had to end. This made the resolution possible.

The economic crisis has been aggravated by the war, of course. However, are we the ones who decided to wage war? It is the Yankees who have decided on war. It has been Reagan's decision. The military and economic war Reagan wages against us has worsened more and more. We are not taking desperate measures because we have just found out there is an economic crisis. We have been speaking about the economic crisis for many years. We have clearly said we have been living through difficult times, and we will continue to do so as long as Reagan wages war on us. The people have been suffering for more reasons than just the supply shortages. The people have been giving up their lives daily. The Nicaraguan people surrender their lives every day. Workers and young men die every day. This is the people's contribution, the best proof of trust, firmness, and revolutionary conviction.

The problem of supplies is a serious one that we must face by continuously carrying out the policies we have already approved. We have not come here to unveil new policies, but to emphasize those policies we defined back in 1985 -- and we have been applying them. Applicaton of policies is not easy, because it calls for moving all society and fixing sections of society. This is not easy and it takes time. It means we now have to readjust these measures as we go along. Perhaps a step we took was not the correct one, and we will need to correct it. Our worst mistake would be not to have the capacity to correct. Those who do not have the capacity to correct have no possibility of advancing.

Thus our interest in taking supplies to the greatest number of inhabitants. With a somewhat romantic vision, we tried to get up to some 60 products from a basic products list. First we tried territorial distribution, and from the factories we made commissaries. In actual practice we proved we were in no condition to do this because we are not a rich country. This is a country at war. We are being attacked and are in no condition to guarantee inhabitants 60 products. What we can more or less guarantee are five products. That is what in reality and in practice we have been able to demonstrate. It is true we are trying to include more products, but we cannot guarantee it for everyone. At a given moment we can supply a certain sector, then maybe another, as there is insufficient production. That is why it has also been important to get to know the problems. We need to know the problems of the agricultural and cattle raising sectors. You have detected the production problems. What does that mean? It means we have greater limitations on distribution. Why? Because the greater demands reduce the amounts available.

What then is the correction we now propose? To start implementing corrections from now on. What does it mean to start implementing correctons from now on? It means having the political will to implement them. The real possibility is determined by material conditions, and that is what MICOIN [Ministry of Domestic Trade] and the standard of living commission are working on. What is the decision? The decision is to maintain territorial distribution at present levels, with five products only. When we can maintain the quota we will do so, and when we can't we lower it. We are going to work toward taking certain enterprises out of CAT [Workers' Supply Centers] because the number of workers they have justifies this, or because of their importance. Then we will return to the commissaries in certain cases. It is clear that this becomes more important than any salary adjustment.

It becomes more important as an incentive to the productive worker. We will therefore have to reestablish CAT [corrects himself], I mean commissaries, in certain large enterprises. Because of MICOIN reorganization -- lack of space, -- CAT's have now had to use the supermarkets to ensure supply, which also has its problems. First, this takes time from the workers as they have to face more prople that are buying there. The idea is to have the CAT's installed in areas where businesses are located. MICOIN is conducting a study to determine what premises are available that can be used, refurbished, or built if necessary to establish a CAT. Workers nearby can go there from their businesses to get supplies. We want to take workers that are in central production branches -- we speak of central production branches, not just those businesses that are directly linked to production. We are not just speaking of an agricultural or industrial enterprise, but also of some hospitals. We are speaking of the hospital because it renders a service to the worker. We cannot separate health from production. We are linking it to certain services and take to these supply centers, to these productive workers, other products that have an exhorbitant price on the black market. There we would have these products priced like the other products. These other products do not appear on the list, but the workers would have access to them there. The idea is to carry more products, but this depends on the organizational capacity of MICOIN, and present material possibilities.

As for government cafeterias, service had to be restricted by eliminating meat from their menus. This measure has not been taken at the production centers' cafeterias. The comrades, including Edgardo [not further identified] have reported a severe shortage at the production centers' cafeterias in the past few days. Speculating a little, this could be due to the speculation brought about by the salary problem. Products are kept in store awaiting new and higher prices. This causes a shortage in the market. Production and stocking of basic, perishable grains also have to do with supply. It is true that we set limitations on this. Experience showed that when we removed limitations, production increased. Why? Because the production of basic grains is of a scattered nature, not concentrated like rice. Rice production is handled by a few enterprises. Rice can be stored easily. Conversely, the production of beans and rice is scattered through the country. The same is true of perishables. So, limitations decreased production. The removal of limitations showed production could be increased. When we speak of removing limitations, we mean eliminating them at those levels [words indistinct]. We do not mean to eliminate controls of possible large-scale movement of goods. Controls will continue to be maintained. When we speak of removing limitations we refer only to [words indistinct] all these measures that do not solve any problems but rather create various problems. They do not offer solutions in the end. We have corrected some of the measures.

The territorial organization of production is very important for basic grains productions. To the extent that we fulfill this project, we will be able to store these products. Then MICOIN will have a better opportunity to set production goals for production centers, defense, and other sectors we must devote attention to. Another point that should be clear but generates concern and skepticism is salaries. Is that clear? The problem is not solved through [higher] salaries. It is a salary readjustment, which affects prices. It is true we must apply controls to prices because some enterprises try to be unrealistic. We must try to see how we can deal with these enterprises. The prices and salaries' movement is nothing new. It has been occurring through the years. Salaries had been frozen. Only some, very few, salary adjustments occurred.

The gap between the organized sector's salaries and the frozen salaries increased because of inflation. Prices continued to rise while salaries remained steady. This is why you, even if you are convinced higher salaries are not the solution, have begun to see the necessity of salary readjustment. This did not occur to us as the result of a discussion on salaries. It was the result of reality expressed by you. It was expressed by you, the workers' leadership, the leadership of the formal sector, the CCT [Central American Workers' Confederation], the ATC [Association of Agricultural Workers], UNE [National Union of Employees], FEDSALUD [Health Workers Federation], CONAPRO [National Confederation of Professional Associations], ANDEN [National Association of Nicaraguan Teachers], reporters, et al. Consequently, we think the formal sector must be protected. Hence we have this movement for salary readjustment, which does not solve the problem. That is clear. This adjustment is to close the enormous gap between prices and the formal sector salaries. The formal sector also includes productivity.

This is not a new policy, but rather we are trying to organize better policies and carry out in a better manner the policies we had already planned since 1985. From now on we will have to make an effort to control those prices. Before this meeting, we met with two groups -- [word indistinct] and planning departments -- to discuss the proposed prices for both the agricultural and industrial sectors. Even when we authorized the increase of some products, there were still many products left that were not [word indistinct]. We are going to subsidize these products while we carefully study their costs.

It is very clear that in a price and salary situation, salaries are easier to control. It is very easy for some enterprises to make economic or mechanized interpretations when they make a simple mathematical calculation, and increase prices beyond the actual production costs. Thus, we have to supervise these things. The CAT's are carrying more products than were authorized and at higher prices. We must control that immediately, because the products that have been authorized are far below the salary readjustments. Naturally, everyone wants to increase prices. How are we going to handle this problem of prices and salaries? We must enforce more strongly this policy that we have already adopted but have not managed to enforce well. Therefore, we will have to be changing prices and salaries on a periodic basis. However, in the same measure that we manage to have an effective control over the production costs, the price will have to change according to the actual production costs. They cannot be more than the true production costs, and that is independent of some incentives that we have created for production.

For example, it was asked how much we have distributed in incentives: Approximately $20 million [as heard] per year in incentives to the producers, including the state enterprises. The idea of these incentives is for the producers to buy goods and installations related to the enterprise: for example to purchase vehicles, if the producer's means of transportation is damaged or to buy some spare parts or machinery, in some cases. In other cases, there are other investments that have to be made. However, it most cases the funds are reinvested in the same enterprise. I am referring to the private enterprises, because everything is already being reinvested in the state enterprises. The producers use the incentives to reinvest in the same enterprise. I think this is productive. Therefore, as long as there is inflation we will have to realize we cannot make it disappear. There is no formula for that. [Words indistinct] a formula for doing away with inflation, we would enforce it immediately in Nicaragua, and we would patent it and sell it to the countries that are experiencing inflation. We would become multimillionaires. However, that formula has not yet been invented.

The only way to overcome inflation is through production, and not by sacrificing the workers. The IMF formula sacrifices the workers and does not benefit them at all. The IMF says: The factory has to be closed, and that's it. The IMF does not accept any efforts to maintain enterprises in an operational capacity as we are doing here. We do this so all enterprises can operate. The IMF simply says: If an enterprise does not operate well, it is shut down. It is open for only a few days after the decision is made to close it. What about the workers? What happens to them?

Naturally we will never enforce that formula here in Nicaragua. Why? Because there is a revolution here. Then what is the solution? It is the solution the revolution teaches us. What is that solution? It is sacrifice, work, discipline, and hunger. For us to achieve abundance and good nutrition, we must first work under those conditions. To defend the revolution in the military field, we must sacrifice our lives. (?Soldiers) are offering their lives every day in the defense of this revolution. To defend this revolution in an economic manner, we must also make our share of sacrifices. We must work with what we have on hand. We must seek improvement of enterprise organization.

This will result in greater productivity. We have said this problem of prices and salaries is linked to inflation. We cannot make inflation disappear. We will have to shuffle prices and salaries as long as we have inflation. This is a measure we have taken conscientiously and which we have taken at other times. The idea now is to keep the situation more under control than we have in the past. Previously we have turned our attention more to the problem of supply and the workers' sector. This had diverted our attention from salaries and prices. Our main efforts during 1985 and 1986 have been aimed at procuring supplies for rural and urban areas.

We will have inflation as long as we have a war. The inflation is not caused by our economic policy; it is caused by the aggression. The budget... [changes thought] 50 percent of the monetary appropriations in the budget are for defense and education. We have 25 percent in investments and 25 percent to stimulate productive sectors. This occurs at the leadership level. Defense, health, and education sectors absorb 50 percent of the budget. We cannot say the health and education sectors are in good shape. These sectors operate under a restricted budget, although they are privileged compared to other sectors. We have discussed storage, transportation, personnel rotation, [words indistinct] production, labor organization, the need to overcome the situation, economic brigades, participation of workers, that is, proposals you have been making, communication problems, and the lack of access to government delegates and public officials. These are problems that must be solved. I have insisted that this government be formed by officials who have more direct contact with the population. We must have even more direct contact with the people. When we say direct contact we mean all the workers, not only the ministers, the deputy ministers, the directors, etc., in the various areas and regions, who should be in constant touch with the population and the trade unions. We have discussed price control, the timely establishing of prices for producers. Producers have expressed this problem to us. It is true that if prices for producers are not established in due time, producers feel uncertain.

This does not help foster production. There are also problems with mobilization for defense, labor agreements, the private producers' (?contribution) toward production, and land appropriations. Several types of problems have been presented to us such as unjustified land appropriations and the economic behavious of the San Antonio sugar mill as an enterprise. We have said several times that an investigation should be conducted to determine what is going on there. We are waiting for a report on what is going on there. We want to know whether there is a plan to sabotage production or if there are other types of production problems. We have also noted other problems, which we will take into consideration for the implementation of the 1987 plan. We will consider the measures included in the plan. We think these measures proposed are feasible under the current circumstances and according to our needs and reality. These measures deal with greater unity and a greater rationalization of resources. We have been discussing this. When we presented the 1987 plan, I explained to you that we have approved the bulk of overdue investments. We will now consider those investments that deal with the productive sector and see if we can devote attentnon to them. We have made these investments for political reasons dealing with defense of the revolution, this is to say, a political investment. We have made these investments in buildings where we will receive the parliamentarians who will come to the IPU meeting. This is a political investment. We cannot say we have engaged in a hasty, out of control investment policy, like the investment policy responsible for the country's economy in the first few years.

There was an explosion of investment here. We were trying to meet all demands, and resolve all problems everywhere. Perhaps we needed some self-criticism. We made mistakes in our speeches, because the greatest immediate achievement of this revolution was that the people, for the first time, had the historical opportunity to control the government and to rule themselves. They could recover the authority [la palabra], the ability to organize, as well as their freedom.

However, that so-important achievement which the people continue to cherish -- a basic factor that keeps the people united within the revolution -- was accompanied by the somewhat romantic desire to solve all problems. Wherever a school was requested, a school was built, and wherever a health center was called for, one was established. When we were asked for a road, we provided one; whenever someone asked for a loan, we gave it. It was, therefore, a truly romantic policy that did not reflect our economic reality, even when we were not at war.

That was when we had just started in 1979, 1980, and 1981. From 1981 onward, the war of aggression was imposed on us and this policy became even more at odds with reality. We had to resort to our people's main potential attribute for facing up to difficult times. This main attribute is the people's moral potential, their conscience. We had to appeal to their conscience in the first place, to the moral factor, accompanying this with the group of measures that we mentioned, because, even if we applied these measures properly, we would not make anyone happy unless there were a conscience and a sense of morality. Thus, we have to appeal first to the moral factor, to the conscience, while not losing sight of the fact that this is a country at war, a country under attack by the United States.

Now is a crucial time for this country because 2 years remain to the term of office of the President of the imperialist military power called the United States, a president who is determined to destroy the Nicaraguans. This does not mean we will have marvelous relations with the future government; however, it is certain we are confronting a very dangerous government and a President who acts in an obsessive, personal way against the Nicaraguan people. He is a President who openly acts like a terrorist toward the Nicaraguan people and who could launch an invasion against us at any time.

The comrades here have talked about working during Holy Week. Soldiers have no Holy Week; they have no Saturdays or Sundays. The EPS fighters are deployed in Managua and in the mountains, where they are fighting against the mercenary forces. Why are they deployed in Managua? So that any act of direct intervention by the United States will not take us by surprise.

Consequently, we must first address the political factor and then the moral factor; we must not forget we are at war. We must constantly remind the people of the situation and stress the next 2 years are decisive years. Once the 2 years are over, the United States will have to change...[corrects himself] the situation concerning the confrontation with the United States will have to change, and this will allow us better conditions to counter our economic problems. Meanwhile, the outlook is difficult, is difficult [repeats himself]. Our ports and refineries can be blown up at any moment. We will have to invent another plan or alternative for a situation like this if the 1987 economic plans disappear.

Therefore, we must combine the awareness, moral, and political factors with the organization, cohesiveness, discipline, coordination, and effort factors to optimize the use of the few resources we have. (?We must not make) any major requests because we must work with what we have. Of course we must! There is some rice out there. There are some quintals of rice out there, so we must provide transportation. That problem can be immediately resolved. Transportation can be organized and the rice can be brought out. That can be done perfectly well. So, the revolutionary state's cohesiveness with the labor leaders and workers will allow us to successfully enforce these measures; we will be able to firmly enforce them. Consequently, we will be better prepared to counter the problems we currently face and the problems that may arise this year and next. We have an enemy openly and brazenly waging a war.

We will hold a similar meeting in 3 months to make another evaluation. In the meantime, we cannot have a vacuum, so we must exert ourselves to organize other meetings. Meetings are being held with some commissions; however, it is evident there is still a lack of communication. Our comrades complained about the lack of communication so we must organize the meetings so we can communicate and know more about the measures. We must also follow up the enforcement of the measures. Likewise, the government officials, the minister, and everyone else must keep their ears to the ground; everyone must have more contacts with the production centers, areas of service, and health centers, so we are on the ball. We must be aware of the situation and seek better formulas to counter the problems we currently face.

Comrades, we are convinced that you can fulfill a daily work schedule to tell the workers about our position; about the revolution's position; about the revolutionary government's position; and about the FSLN National Directorate's position.

We have noted all the problems you have mentioned; there are specific complaints about the behavior or actions of certain ministries, and our comrades will have to explain these problems at a given time. Above all, they will have to seek formulas or mechanisms to overcome the problems, to overcome this situation.

This meeting has allowed us to gather a certain number of opinions and suggestions. We have heard some good suggestions, very good suggestions to enforce the measures -- or to adjust the measures as we go along. In other words, this meeting was a veritable exchange of knowledge, a veritable exchange of experience between the cabinet members and officials, and the Nicaraguan people's organized labor leaders. We have begun by strengthening cohesiveness in the revolution's leadership at a time when that cohesiveness is more necessary to defend our revolutionary process from the imperialist aggression. Just as we are defeating Reagan in the military sector, we will be able to defeat him in the economic sector. Free Homeland! [crowd shouts: "Or Death!"] [applause]

CARDENAL CRITICIZES POPE'S ACTIONS IN CHILE

PA132244 Managua Radio Sandino in Spanish 1930 GMT 13 Apr 87

[Text] Madrid -- Ernesto Cardenal, Nicaraguan minister of culture, said today in a telephone conversation from Madrid that Pope John Paul II has been more critical of the Sandinist revolution than the Chilean dictatorship.

Cardenal, who will arrive in Spain soon [as heard] to receive an honoris causa degree from the University of Granada, recalled that the sovereign pontiff declined to pray for the Nicaraguan martyrs when he visited the country in March 1983. Cardenal added that, however, during his latest tour of South America, the pope prayed with General Augusto Pinochet in the chapel of the Palacio de la Moneda, where the legitimate Chilean president, Salvador Allende, was murdered.

Cardenal said: When the pope was in Nicaragua he uttered very harsh words against the Sandinist revolution, and was jeered by the people. In Santiago, however, the people were repressed with tear gas, water cannons, and blows when they vented their grievances against the dictatorship in the presence of the visitor.

EPS REPORTEDLY CAPTURES 2 HONDURAN SOLDIERS

PA132258 Panama City ACAN in Spanish 2241 GMT 13 Apr 87

[Text] Managua, 13 Apr (ACAN-EFE) -- The Presidency today announced that EPS troops have captured two Honduran soldiers on the country's northern border. The source did not disclose the identity or rank of the captured soldiers, nor the day or circumstances under which the incident took place.

The state radio station, which cited official sources, announced that the two Honduran soldiers will be presented to the press tomorrow at the Foreign Ministry auditorium in Managua.

The brief goverment report did not state the area of the Honduran-Nicaraguan border where the capture took place. Nicaragua has reported on various occasions that anti-Sandinist groups that enter its territory come from camps located in Honduras.

GOVERNMENT WILLING TO WITHDRAW CHARGES AT ICJ

PA101633 Managua Radio Sandino in Spanish 1200 GMT 9 Apr 87

[Text] Commander Bayardo Arce, vice coordinator of the FSLN Executive Commission, said in Rome that Nicaragua is willing to withdraw the charges filed against Costa Rica at the International Court of Justice [ICJ] if an agreement is reached on international control at the common border. Here is a PRENSA LATINA dispatch from Rome, Italy.

Nicaragua will withdraw its suit against Costa Rica from The Hague court if an agreement is reached to have international control at the common border. This was stated by Commander Bayardo Arce, vice coordinator of the FSLN Executive Commission.

The Nicaraguan Government is willing to withdraw its charges against San Jose provided an agreement is reached to have international surveillance at the border region, said Commander Arce, who heads a Nicaraguan delegation participating in a meeting of the Socialist International Council in Rome. Nicaragua filed charges last year accusing both Costa Rica and Honduras of lending their territories for the free movement of the mercenary army attacking the Nicaraguan people.

Coinciding with Commander Arce's statement in Rome, a high-level delegation from the Costa Rican Government arrived in Managua yesterday to meet with Nicaraguan Government representatives.

The Costa Rican delegation, headed by former Government Minister Enrique Obregon, yesterday met with Deputy Foreign Minister Jose Leon Talavera, and with Vice President Sergio Ramirez Mercado in the evening.

CONTRAS 'HARMING' ELECTRIC POWER IN REGION

PA041444 Managua Domestic Service in Spanish 0300 GMT 4 Apr 87

[Text] The terrorist actions by Reagan's mercenaries seriously harm Honduras, Panama, and Costa Rica. A dispatch from Tegucigalpa states that terrorist actions of the mercenaries forced the suspension of the flow of electricity from Honduras to Costa Rica and Panama. Official sources in the Honduran capital said the situation in the Central American countries is critical due to the mercenary actions.

Jack Arevalo, manager of the Honduran National Enterprise for Electric Power, said Panama urgently requested electricity because it is suffering from drastic rationing of electric power. Arevalo said Honduras sells electric power from El Cajon Dam to Nicaragua, Costa Rica, and Panama but as a result of the contra sabotage, those sales were suspended and Honduras stopped earning many dollars.

Destroys Pylons in Region 1

PA131341 Managua Radio Sandino in Spanish 1256 GMT 13 Apr 87

[Text] CIA mercenaries fleeing in disarray to Honduras have destroyed 2 power pylons in [words indistinct] Monzonte, Region 1. In their terrorist action, the CIA agents used C-4 explosives and left 10 Nueva Segovia municipalities without electricity.

Destroys Pylon in Jinotega

PA061354 Managua Radio Sandino in Spanish 1252 GMT 6 Apr 87

[Excerpt] A power pylon in El Jocote neighborhood, Jinotega, was blown up with C-4 explosives placed by contra terrorists. Our correspondent Francisco Rodriguez reports:

[Rodriguez] At approximately 2100 on Saturday, 4 April, a U.S.-made bomb known as a C-4 was placed by terrorists at a power pylon holding high-tension cables that feed electricity to the city of Las Brumas, Jinotega. The terrorist bomb, the second one placed in less than 1 month, exploded at approximately 2100 at the entrance to the poor neighborhood of El Jocote, adjacent to Barrio Sandino, in front of the return road from Palmira to MICONS [Ministry of Construction]. The explosion was heard throughout the city, triggering a general alert among the cubs [EPS troops] and reserve soldiers in that city. The bomb placed by Reagan's mercenary paladins did not cause any unfortunate loss because the power pylon was cut off as if with a saw, falling to the ground as if it had been planted there. [passage omitted]

FSLN REPORTS 50 PEOPLE KIDNAPPED BY CONTRAS

PA022106 Managua Domestic Service in Spanish 1200 GMT 1 Apr 87

[Text] A group of contras have kidnapped 50 Nicaraguan citizens in a town near Puerto Cabezas on the Atlantic Coast.

FSLN military personnel in the area stated in a communique that the mercenaries belong to a group called FDN-Fighting KISAN [Unity of the Nicaraguan Atlantic Coast Indigenous Peoples.]

The document adds that on Saturday, 28 March, this group ambushed and took prisoner a group of 30 workers of the (Promovisa) forestry project, 19 young men from agricultural communities, and a government official from Rio Blanco. The contras also took the vans in which the civilians were traveling.

ARCE HEADS FSLN DELEGATION TO ROME SI MEETING

PA092246 Managua BARRICADA in Spanish 7 Apr 87 p 1

[Communique of the Secretariat of the FSLN National Directorate issued in Managua on 6 April]

[Text] The Secretariat of the FSLN National Directorate hereby informs the FSLN militants and Nicaraguan people that Commander of the Revolution Bayardo Arce Castano, deputy coordinator of the Executive Committee of the FSLN National Directorate, is heading the FSLN delegation that will go to the Socialist International meeting to take place in Rome, Italy on 8 and 9 April 1987.

The delegation, which departs today, is also comprised of Comrades Jose Pasos Marciaq, deputy director of the International Relations Department of the FSLN; and Hernan Estrada, chief of the Western Europe section of the same department.

Secretariat of the FSLN National Directorate Managua, 6 April 1987 "No One Surrenders Here"

CRITICS VIEW U.S. 'AGGRESSION' IN CENTRAL AMERICA

PA140027 Havana International Service in Spanish 1600 GMT 13 Apr 87

["Topics" feature with Amalia Sanmartino and Nestor Nunez]

[Text] [Sanmartino] Greetings from Havana, friends of this feature. The Central American conflict seems to be reaching crucial moments as a result of increased U.S. aggression. This dangerous situation is the topic of today's discussion between Nestor Nunez and myself, Amalia Sanmartino, both of us members of the commentator staff.

[Nunez] That is right, Amalia. There are just two of us today.

[Sanmartino] That is right, the two of us are alone today.

[Nunez] Well, as you said, the situation in Central America has become tense and difficult in the last few days. This is happening mainly because of the constant military maneuvers the United States conducts in the area. These maneuvers are considered to be the biggest staged in the Caribbean and Central American region in recent times. I think this is a factor that truly goes against all the efforts undertaken so far in the region to find a negotiated solution to the various conflicts. These maneuvers constitute a card the United States is playing to fulfill one of the principles of the famous Santa Fe Plan which directs U.S. foreign policy, in other words, the Reagan government's foreign policy. It proposes the destruction of the Sandinist revolutionary process and the revolutionary processes in El Salvador, Guatemala, and other countries.

[Sanmartino] Of course. Now that you have mentioned this, I want to say that the main reason for all this military deployment is Nicaragua. That is the main objective of the United States. There is something else. Nestor, as we were saying some days ago, the entire Central American situation has become complicated, to put it one way, in quite an ugly way. We can see that all the military maneuvers have a purely warmongering objective. However, we must also speak about the political and economic situation, which cannot be ignored and which the United States has been influencing all this time. It is suggestive that the United States has always and constantly pressured -- sometimes subtly and other times not so subtly -- the countries of the Contadora Group, which are the countries interested in achieving peace in Central America.

We can say it has exerted this pressure on El Salvadora, Honduras, Costa Rica, and Guatemala. What is happening in the countries I mentioned first, El Salvador and Honduras? No one can say the Duarte and Azcona governments are undecided governments. No, they are governments that have completely submitted to the U.S. pressure. In El Salvador, there is a continuing war because the president does not want to hold a dialogue with the guerrillas and because he has a number of other internal problems. In Honduras, extremely serious social and economic problems have begun to emerge because of the presence of the counterrevolutionaries. There is also Costa Rica. Some days ago we were just talking about the pressure exerted on the Monge administration. The pressure has barefacedly continued against the Oscar Arias administration. Arias, who initially spoke about neutrality and whatever, is also yielding to U.S. pressure.

[Nunez] What can be said about his peace plan, the famous peace plan which has recently been discussed? It was drafted under Washington's sponsorship. However, it seems there are some causes in which the United States went somewhat too far and is now trying to renege on that plan.

[Sanmartino] Of course. There is also pressure on Guatemala.

[Nunez] Of course.

[Sanmartino] There is also pressure on Panama.

[Nunez] Yes, Amalia. I was just going to say that, because you have referred to the other countries in the geographic area where this grave situation is taking place.

[Sanmartino] Of course.

[Nunez] However, we must remember the United States has also exerted very serious economic and political pressure on Mexico. It has even adopted attitudes that really show a lack of respect and ethics by making very dirty statements about Mexico's domestic policy. In recent days, the Panamanian Legislative Assembly approved a motion condemning the U.S. Senate for its continuous meddling in Panama's internal affairs and because of the economic pressures being exerted on Panama, a country which also supports peace in Central America through the Contadora Group. In other words, there is a climate of pressure and, as you said, political and economic situations aimed at strengthening the military solution Ronald Reagan is seeking so earnestly.

[Sanmartino] Of course. It could be that after Nicaragua's physical and political destruction -- which is the United States goal, whatever the cost -- the United States would then set a trap to completely dominate the region. My attention was attracted the other day to the fact that much importance is being given to the formation of the economic organization that was spoken of some time ago. Don't you remember? The Central American Development Organization, promoted by Kissinger.

[Nunez] It was proposed by Kissinger.

[Sanmartino] By Kissinger, that is exactly correct. Only now it has taken on new life. Isn't that interesting, Nestor? The headquarters of this Central American Development Organization will be in Tegucigalpa.

[Nunez] The occupied country par excellence.

[Sanmartino] Exactly.

[Nunez] The trap is being set.

[Sanmartino] Of course.

[Nunez] The grounds are being prepared.

[Sanmartino] Of course, of course.

[Nunez] Some issues are very interesting. Let's return to the military issue, which clearly reveals the final objective you stated, the U.S. ultimate objective. For example, Southern Command Chief General John Galvin said the maneuvers are a warning for Nicaragua, that any action taken in regard to its neighboring countries will not only receive an answer from the country attacked but also U.S. support for the attacked country. His statements prompted a report stating General Humberto Regalado, chief of the Honduran Armed Forces, enthused and encouraged by Galvin's words, thanked the United States in advance and said he was sure the United States would be with the Hondurans in case of aggression or armed conflict on the continent. Consequently, pardon me...

[Sanmartino, interrupting] No, no. I only wanted to say that it is precisely Honduran Army defeatism that could lead the country to a serious, serious, serious situation. Its surrender does not only mean the counterrevolutionaries are given use of Honduran territory because they offer to come to the country to conduct military maneuvers. Its surrender means something worse; the fatherland is surrendered, the feelings that one should have toward the fatherland are surrendered. It seems as if the Honduran Army and Government have lost their patriotism.

[Nunez] Of course. I believe that for this reason we have concluded that the recent military preparations conducted in Nicaragua, the general mobilization, the display of the tanks, armored equipment, and artillery in the vicinity of Managua are not unfounded movements or directed at any neighbor nor are they intended to attack anyone. It seems, simply, that the danger of the situation has been very well analyzed by the Sandinist leaders. President Daniel Ortega has discussed this publicly and has adopted safety measures. I believe they have applied this principle perfectly. I do not believe there is any kind of propaganda that could refute Nicaragua's legitimate right to defense.

[Sanmartino] Of course. To conclude, Nestor, we could say that Central America's situation is really quite difficult.

[Nunez] Yes. I believe, Amalia, that it is important to point out that this situation is also a warning to the other regional countries because Nicaragua may need much more solidarity than it has received so far, in case the United States, in desperation, decides to initiate a direct armed invasion against the Sandinist revolution.

[Sanmartino] Of course, exactly.

HONDURAN OFFICIALS TO TRAVEL TO U.S. ABOUT AID

FL132155 Havana Radio Rebelde Network in Spanish 1700 GMT 13 Apr 87

[Text] It was learned today in San Jose, Costa Rica, that Honduran parliamentarians will go to Washington shortly to try to prevent the U.S. Congress from passing a bill reducing military and economic aid to Honduras.

The anxiety of the Honduran parliamentarians is understandable when you consider Honduras is the second country in Latin America and the 11th in world benefiting the most from Washington's assistance, which has amounted to more than $1.2 billion since 1980. However, during that same period, nearly $3.5 billion in foreign exchange has left the country, not counting another $300 million in servicing the foreign debt.

According to an ECLA report, Honduras' foreign debt rose to $2.2 billion in 1986 for a 10 percent rate of growth over 1985. In view of these devastating economic figures and the stigma attached to a war situation imposed by the United States, it is only logical that foreign and private investments have dropped in recent years. Therefore, the only chance for growth depends on external factors, but the drastic fall of international prices for the majority of basic products does not augur well for the Third World in general. Now, to top it all, the artificial Honduran economy, injected with huge doses of American aid, is threatened by the U.S. Congress' announced restrictions. In sum, this once again confirms that those who fall into bad ways will come to a bad end.

BANK PRESIDENT RODRIGUEZ DISCUSSES DEBT

FL262140 Havana Tele-Rebelde Network in Spanish 0100 GMT 24 Mar 87

[Interview with Hector Rodriguez Llompart, minister president of the National Bank of Cuba, by unidentified "Wide Angle" interviewer; place and date not given]

[Excerpts] [Rodriguez] We will speak of the Cuban foreign debt in free convertibale currency. [Words indistinct] capitalist that we have. We are not going to speak of the foreign debt Cuba has with the socialist countries because this is approached differently. The guidelines we follow to renegotiate our debt with the socialist countries and our relations with them, especially with the CEMA countries, are very different from the guidelines followed with the capitalist world.

Last year, late last year, when we closed our books, our foreign debt in free convertible currency was approximately $4 billion. Our main creditors are Spain, Japan, Italy, France, and Canada. I am not giving the names in their appropriate order.

[Interviewer] Minister President, how is Cuba handling the renegotiation of its foreign debt with the capitalist countries?

[Rodriguez] As you know, Cuba expressed the need to renegotiate its foreign debt for the first time in 1982. Since that time we have renegotiated our debt on a yearly basis. At the moment, we are ready to sign the agreements reached in 1986 and we are getting ready to begin the renegotiations for 1987 with the governments of the creditor countries. Regarding the private banks, the 1986 negotiations have advanced but there are some still pending conclusion.

We discussed and signed a multilateral agreement in Paris in July 1986. This was the first step toward signing bilateral agreements with each of the creditor countries.

At that time, Cuba expressed the need to renegotiate the debt [words indistinct] prior to 1982 and the new loans acquired since 1982. [Passage indistinct] Cuba expressed the need to receive new loans to help us meet our commitments. Something that is interesting, and I think I should mention it, is the fact that Cuba has not received new loans or fresh money since 1979.

We requested the new loans and backed up our request by explaining certain external factors over which we had no control. Last year we experienced several situations that [words indistinct] our revenue in free convertible currency.

[Interviewer] What external factors?

[Rodriguez] We could mention the drop in the price of oil; the low price of sugar; devaluation of the U.S. dollar and its effects on other currencies that back up our debt -- for example, the Japanese yen and the Deutsche mark; [words indistinct] products Cuba buys because of world inflation. Those are the main factors that have had an effect on this situation. [passage omitted]

[Interviewer] What has the National Bank of Cuba done, and what does it plan to do, to contribute to the national efforts to confront the effects of the foreign debt that we have with the capitalist area?

[Rodriguez] We have talked to our creditors and proposed several measures. The most important measure we proposed was the decrease in the protectionism our products must face to compete in their markets. If they gave us more access to their markets, our exports would increase and our revenue, in free convertible currency, would also increase. We also talked to them about joint financing of development projects. However, none of the capitalist creditor countries have accepted our suggestions.

As you know, during the last people's government assembly several measures were approved. These measures are basically aimed at saving our foreign exchange and increasing our exports and these are measures our government has adopted.

BRIEFS

VOLUNTEER RUM PRODUCTION -- The workers of the Santa Cruz del Norte beverage and liquor complex in Havana produced 120,000 liters of Havana Club rum on Sunday. The 200 workers who took part in the effort donated more than 800 hours of voluntary labor, which represents a savings of nearly 3,000 pesos in wages for the national economy. The Havana Club Superior rum production is destined for export, and makes it possible to partially fulfill contracts with European and CEMA countries. The complex reported 101 percent fulfillment of the plan at the end of the first quarter of 1987 and the economizing of more than 75,000 kilowatt-hours and 215 tons of oil. [Text] [Havana Radio Reloj Network in Spanish 1942 GMT 13 Apr 87 FL]

DOMINICA

LABOR MP CALLS FOR NEW U.S. POLICY IN AFRICA

FL131740 Bridgetown CANA in English 1454 GMT 12 Apr 87

[Text] Roseau, Dominica, April 12, CANA -- Dominican opposition member of parliament, Rosie Douglas, today called for drastic changes in American policies in Africa, including improved relations with Libya.

Douglas' call was made in a statement issued two days before the first anniversary of United States air raids against targets in Libya in retaliation for alleged Libyan involvement in terrorist actions against American citizens.

The bombing of Libya was totally unjustified, and was a slap in the face of African people, Douglas stated. ...We would like to say that the United States should respect the territorial integrity of Libya and other African countries, and, we...call for better relations between the United States and, not only Libya, but other African countries, Douglas added.

He said that it would be a good gesture if the United States altered its policy on South Africa, stopped supporting and protecting the Botha regime (in Pretoria), and support the independence of Namibia, and support the territorial integrity of Angola. We believe the United States should change its strategy entirely and make more economic assistance available to the African Continent, Douglas said.

Douglas issued the statement on behalf of the Caribbean National Movement (CNM), a 5-year-old loose coalition of leftist political parties in the English, Spanish, Dutch, and French-speaking Caribbean, of which he is chairman, and which United States Government officials have accused of maintaining close links with Libya.

Douglas defended the right of African peoples to enter into relations with all countries of the world for our mutual benefit, a line of defence used by CNM spokesmen to answer allegations of ties with Libya.

Douglas, who is the international secretary of the opposition Dominica Labour Party, asserted that the bombing of Libya was completely unjustified, particularly in light of recent exposures of United States arms shipments to Iran at a time when American officials were accusing the Iranian Government of sponsoring terrorism. It was a violation of international law, Douglas said of the bombing. "We believe that the U.S. should compensate Libya for the damage that was done...," he added.